

STAND. COM. REP. NO.

1244

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 306  
H.D. 1  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 306, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the method of computing the estate and transfer tax, generation-skipping transfer tax, and the estate tax of nonresidents who were not citizens at the time of death.

Your Committee received written comments in support of this measure from Frederick D. Pablo, Director, Department of Taxation; and Craig Hirai, Member, Subcommittee on Taxation and Finance, Hawaii Association of REALTORS.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the measure makes clarifying amendments to the estate and transfer tax, the generation-skipping transfer tax, and the estate tax. These clarifying amendments will assist tax practitioners and taxpayers in computing the aforementioned taxes.

Your Committee also finds that extending enterprise zone tax benefits to the solar energy industry will provide a significant positive result for the State. Such tax benefits will stimulate

HB306 SD2 SSCR LRB 11-3133.doc



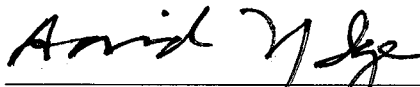
the growth of the energy technology sector, create new construction and jobs, and promote research and development in the solar energy technologies field.

Your Committee has amended this measure by:

- (1) Inserting the contents of S.B. No. 1164, S.D. 2, which amends the definition of "eligible business activity" in the enterprise zone program to include the production of certain electric power from renewable energy and owning, controlling, operating, or managing a seawater air conditioning district cooling project; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 306, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 306, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 306, HD1, SD1	EDT, WAM	4-7-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam				/
<b>TOTAL</b>	13	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes