

STAND. COM. REP. NO. 445

Honolulu, Hawaii
Feb 18, 2011

RE: H.B. No. 801
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred H.B. No. 801 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to promote economic self-sufficiency and job creation in Hawaii by allowing the federal Work Opportunity Credit (Credit), with certain revisions, to be used against a taxpayer's state income tax liability. Specifically, this bill:

- (1) Establishes the Credit at an amount equal to forty percent of the qualified first-year wages paid or incurred by the taxpayer; and
- (2) Prohibits the Credit from being available for any wages paid or incurred before January 1, 2010, or after December 31, 2013.

The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual submitted comments.


Upon further consideration, your Committee has amended this measure by:



- (1) Restricting the scope of the Credit to wages paid or incurred for jobs located in Hawaii;
- (2) In lieu of forty percent of the qualified first-year wages paid or incurred by the taxpayer, making the amount of the Credit equal to fifty percent of the federal Credit; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 801, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



