

Honolulu, Hawaii

Feb 17, 2012

RE: H.B. No. 2240
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Economic Revitalization & Business and International Affairs, to which was referred H.B. No. 2240 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose of this measure is to establish a tax credit for certain businesses that relocate their headquarters to Hawaii.

The Department of Taxation opposed this measure. Tax Foundation of Hawaii provided comments on this measure.

Your Committees have amended this measure by:

- (1) Eliminating the tax credit provided;
- (2) Providing tax exemptions to certain eligible businesses that relocate their corporate headquarters to the State from outside the State; and
- (3) Specifying, among other things, that qualifying businesses must have had worldwide revenues of at least \$100,000,000 in the year preceding the business's application for an exemption.



As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2240, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2240, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Revitalization & Business and
International Affairs,


KAREN L. AWANA, Chair


ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 016-12

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: HB 2240	Committee Referral: ERB/INT, FIN	Date: 2/16/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. EVANS, Cindy	✓			
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.				/
8. TOKIOKA, James Kunane				/
9. TSUJI, Clift				/
10. MARUMOTO, Barbara C.	/			
11. PINE, Kymberly Marcos				/
TOTAL (11)	7	—	—	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: _____ 				
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