

STAND. COM. REP. NO.

673

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 795

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 Finance, to which was referred H.B. No. 795
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill as received by your Committee is to temporarily limit the amount of income tax credits a taxpayer may claim against the taxpayer's net income tax liability to 80 percent of the taxpayer's tax liability for the taxable year in which the credit is claimed.

For the purposes of a public hearing, your Committee circulated a proposed H.D. 1 that deleted the contents of the bill and replaced them with provisions that place a temporary cap on the amount of transient accommodations tax (TAT) revenues distributed to the counties at the lesser of 44.8 percent or \$101,978,000 of the TAT revenues collected in a fiscal year.

The City and County of Honolulu, Mayor of Hawaii County, ILWU Local 142, and a concerned individual opposed this bill. The Department of Taxation, Mayor of Kauai County, Maui County, and Tax Foundation of Hawaii provided comments.

HB795 HD1 HSCR FIN HMS 2011-2806

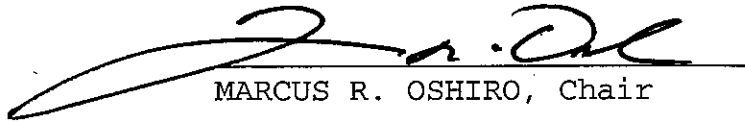


Your Committee has amended this bill by adopting the proposed H.D. 1.

Your Committee has further amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 795, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



