

STAND. COM. REP. NO.

175

Honolulu, Hawaii

March 1

, 2013

RE: H.B. No. 1074
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1074, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to encourage the public to participate in historic preservation by providing a refundable income tax credit for expenditures made to rehabilitate or preserve a historic structure.

The Department of Land and Natural Resources, Historic Hawaii Foundation, and an individual provided testimony in support of this measure. The Department of the Attorney General, the Department of Taxation, and Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting a superfluous provision stating that individuals who are party to a reciprocal beneficiary relationship or a civil union may claim the tax credit in the same manner as a husband and wife, to the extent that they are eligible to file a joint tax return. Act 1, Session Laws of Hawaii 2011, already allows civil union couples to be treated as married for purposes of state tax law;

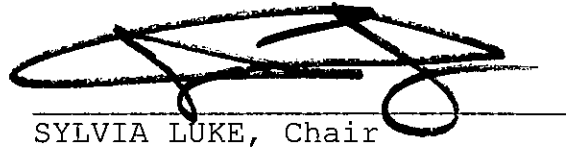
HB1074 HD2 HSCR FIN HMS 2013-2227



- (2) Clarifying that the Department of Taxation report to the legislature annually, no later than September 1 of each year, on the number of taxpayers claiming the historic preservation tax credit and the total cost of the historic preservation tax credit to the State during the past year; and
- (3) Changing its effective date to July 1, 2030, for the purpose of facilitating further discussion.

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. 1074, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1074, H.D. 2.

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



SYLVIA LUKE, Chair



