

Honolulu, Hawaii
February 28, 2014

RE: H.B. No. 1594
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1594, 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 boost the State's tourism and construction industries by providing a taxpayer constructing or renovating a qualified hotel facility with a nonrefundable income tax credit for certain incurred construction or renovation costs.

The Hawaii Tourism Authority, Wyndham Vacation Ownership, American Resort Development Association, and Subcontractors Association of Hawaii testified in support of this measure. The Department of Taxation, Outrigger Hotels Hawaii, Tax Foundation of Hawaii, and Hawaii Regional Council of Carpenters provided comments.

Your Committee has amended this measure by:

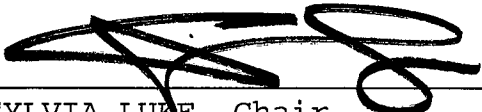
- (1) Changing the percentage of construction or renovation costs claimable as a tax credit to an unspecified percentage;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and



- (3) Making technical, nonsubstantive changes 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. 1594, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1594, H.D. 2.

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



SYLVIA LUKE, Chair



