

Honolulu, Hawaii

February 28, 2014

RE: H.B. No. 1702

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. 1702, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE CAPITAL INFRASTRUCTURE TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to help tenants displaced by the Kapalama Container Terminal Project by:

- (1) Establishing a capital infrastructure tax credit available to displaced tenants, banks, and other financial institutions for costs of capital investments in state land incurred due to the displacement and providing for its application in the same manner as other similar credits; and
- (2) Reinstating the technology infrastructure renovation tax credit through 2019.

The Chamber of Commerce of Hawaii; Pacific Shipyards International; Navatek, Ltd.; and numerous individuals provided testimony in support of this measure. The Department of Taxation, Department of the Attorney General, Department of Transportation, and Tax Foundation of Hawaii provided comments on this measure.




Your Committee has amended this measure by:

- (1) Making the amount of the capital infrastructure tax credit cap an unspecified amount;
- (2) Deleting the provision reinstating the technology infrastructure tax credit through 2019;
- (3) Changing its effective date to July 1, 2030, for the purpose of facilitating further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of 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. 1702, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1702, H.D. 2.

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



SYLVIA LUKE, Chair



HSOR 804-14

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1702, HD1	Committee Referral: TRN, FIN	Date: 2/20/2014
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) ~~Pass, with amendments (HD)~~ Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	/			
2. NISHIMOTO, Scott Y. (VC)	/			
3. JOHANSON, Aaron Ling (VC)	/			
4. CULLEN, Ty J.K.	/			
5. HASHEM, Mark J.	/			
6. ING, Kaniela			/	
7. JORDAN, Jo		/		
8. KOBAYASHI, Bertrand	/			
9. LOWEN, Nicole E.	/			
10. MORIKAWA, Dee	/			
11. ONISHI, Richard H.K.	/			
12. TAKAYAMA, Gregg	/			
13. TOKIOKA, James Kunane	/			
14. WOODSON, Justin H.				/
15. YAMASHITA, Kyle T.	/			
16. FUKUMOTO, Beth	/			
17. WARD, Gene	/			
TOTAL (17)	15	1		1

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____ *[Signature]*

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