

STAND. COM. REP. NO. 3215

Honolulu, Hawaii

APR 03 2014

RE: H.B. No. 2170  
H.D. 2  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2170, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage new hotel construction.

More specifically, this measure establishes a nonrefundable income tax credit for costs incurred in new hotel construction.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority, Hawaii Lodging and Tourism Association, Maui Hotel and Lodging Association, and Wyndham Vacation Ownership. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that tourism is Hawaii's principal industry and contributes significantly to the state economy. Your Committee also finds that Hawaii must revitalize its aging hotel and resort infrastructure in order to remain competitive as a viable travel and tourist destination. Your Committee believes that this measure will provide an incentive for the private sector to invest in new hotel construction.



Your Committee has amended this measure by:

- (1) Authorizing unused tax credits to be carried forward;
- (2) Clarifying that the tax credit may only be claimed for new construction costs, rather than renovation costs;
- (3) Clarifying the certification process for tax credit claims; and
- (4) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2170, H.D. 2, S.D. 2.

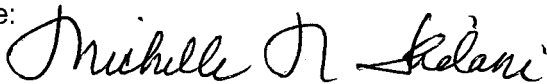
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2170 HDZ SDI	TSM, WAM	3-28-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.		✓		
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	11	1	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes