Honolulu, Hawaii
REMAY 28, 2014

RE: H.B. No. 2626 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. 2626, 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 promote manufacturing in the State by establishing a temporary nonrefundable income tax credit for qualified manufacturing costs incurred by a taxpayer.

The Hawaii Food Industry Association; KYD, Inc.; and Meadow Gold Dairies testified in support of this measure. The Department of Taxation; Department of Business, Economic Development and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; Tax Foundation of Hawaii; and Chamber of Commerce Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing the income tax credit claimable for qualified manufacturing costs from a refundable to nonrefundable tax credit; and
- (2) 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. 2626, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2626, H.D. 2.

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

SYLVIA LOKE, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 875.14

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2626, HD1	Committee Referral: EDB, FIN		Date: 2/25/2014	
☐ 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	Aye	s Ayes (W)	R) Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)	/			
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.			· · · · · · · · · · · · · · · · · · ·	and the state of t
5. HASHEM, Mark J.				
6. ING, Kaniela				AND AND THE SAME AND THE PARTY OF THE PARTY
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand		Antonio Sagri Antonio Minera (A.T. y de Desker i mentra e 1885)	erier Wiereler Walt T. Frank er Gebeurg beiteit, weiteit is	
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee				
11. ONISHI, Richard H.K.	Harris Marie San			
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.				
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth 17. WARD, Gene				
T/A WARD, GERE				
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TOTAL (17)	16	, (
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature				
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