

STAND. COM. REP. NO. 1075-14

Honolulu, Hawaii  
March 20, 2014

RE: S.B. No. 2968  
S.D. 2  
H.D. 1

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

Sir:

Your Committee on Tourism, to which was referred S.B. No. 2968, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOURISM STIMULUS INITIATIVES,"

begs leave to report as follows:

The purpose of this measure is to stimulate new jobs, create and maintain facilities that attract tourists, and keep Hawaii's principal industry competitive in the global tourism market by establishing a temporary income tax credit for qualified hotel construction and renovation.

The Hawaii Tourism Authority, Wyndham Vacation Ownership, and the Hawaii Lodging & Tourism Association supported this measure. The Department of Taxation, Tax Foundation of Hawaii, and Outrigger Hotels Hawaii offered comments on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee finds that this measure warrants further discussion as it moves through the legislative process. Your Committee respectfully requests that the Committee on Finance, should it consider this measure, investigate whether the requirement of compliance with all laws, rules, and regulations is administrable and whether amendments are necessary to prevent a

SB2968 HD1 HSCR TOU HMS 2014-2729



double benefit (deduction plus credit) and ensure reliable linkage of the credit to real property improvements. Finally, your Committee finds that prioritizing credits for job-intensive hotel and resort properties over those for other types of properties merits further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2968, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2968, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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



TOM BROWER, Chair



State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

**HSCR 1075-14**

**Record of Votes of the Committee on Tourism**

Bill/Resolution No.: <b>SB 2968 SD2</b>	Committee Referral: <b>TOU, FIN</b>	Date: <b>3/17/14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	✓			
2. CACHOLA, Romy M. (VC)	✓			
3. AWANA, Karen				✓
4. CHOY, Isaac W.	✓			
5. OHNO, Takashi	✓			
6. ONISHI, Richard H.K.	✓			
7. TAKAI, K. Mark				✓
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. WARD, Gene	✓			
<b>TOTAL (10)</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				