

Honolulu, Hawaii
April 4, 2014

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

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

begs leave to report as follows:

The purpose of this measure is to establish a temporary income tax credit for qualified hotel construction and renovation costs.

The Hawaii Tourism Authority; Maui Hotel & Lodging Association; Hawaii Lodging & Tourism Association; Wyndham Vacation Ownership; Ritz-Carlton Hotels, Kapalua; and Outrigger Enterprises Group testified in support of this measure. The Department of Taxation; Tax Foundation of Hawaii; and Hawaii Regional Council of Carpenters provided comments.

Your Committee has amended this measure by:

- (1) Replacing language requiring the Department of Business, Economic Development, and Tourism to certify costs that form the basis of a claim for the credit with language requiring that taxpayers, in order to claim the credit, complete a survey certified by the Department of Business, Economic Development, and Tourism, to assist with data-gathering and analysis of the tax credit's effect;



- (2) Requiring that claimants for a tax credit comply with State law regarding the wages and hours of employees on public works, including the submission of certified payrolls to the Department of Labor and Industrial Relations; and
- (3) 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 S.B. No. 2968, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2968, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



