

STAND. COM. REP. NO. 2711

Honolulu, Hawaii

FEB 28 2014

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

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

begs leave to report as follows:

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

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority, Hawaii Leeward Planning Conference, and Wyndham Vacation Ownership. Written comments in opposition were received from one individual. 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, with visitor expenditures estimated to be over \$15,000,000,000 in 2013. Your Committee also finds that, in order to remain competitive with other global destinations, Hawaii must revitalize its aging hotel and resort infrastructure. Your Committee believes that this measure will strengthen Hawaii's economy by encouraging hotel construction and renovation.

Your Committee has amended this measure by:

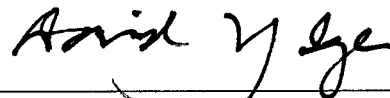
- (1) Changing the amount of the tax credit to an unspecified amount;



- (2) Requiring that, in order to qualify for the tax credit, construction or renovation costs must be certified by the Department of Business, Economic Development, and Tourism;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 S.B. No. 2968, S.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.

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



DAVID Y. ICE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB2968, SD1	Committee Referral: TSM, WAM	Date: 2-25-14		
<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	0	0	2	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes