

STAND. COM. REP. NO.

2258

Honolulu, Hawaii

FEB 12 2014

RE: S.B. No. 3082
S.D. 1

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

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred S.B. No. 3082 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an income tax credit for taxpayers who incur certain expenses for manufacturing products in Hawaii beginning after December 31, 2014.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; Hawaii Food Industry Association; Cut Collective; Hawaii Food Manufacturers Association; Green Ohana Recycling; The Chamber of Commerce of Hawaii; ALLISON IZU, LLC; KYD, Inc.; Oceanit; and three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that a diversified economy and a business-friendly tax climate are key factors in keeping unemployment low. Allowing current manufacturers in the State to grow their businesses can open the door for even more production in Hawaii and reduce Hawaii's reliance on imported goods, which currently account for over ninety percent of the State's products. Importing less and producing more can have wide reaching, positive impacts for manufacturers and consumers.

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