

Honolulu, Hawaii
March 4, 2016

RE: H.B. No. 2042
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2042, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WATER CONSERVATION,"

begs leave to report as follows:

The purpose of this measure is to encourage water conservation by creating a refundable residential water conservation system cost tax credit for newly constructed systems beginning January 1, 2017.

The Hawaii Community Foundation provided testimony in support of the measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

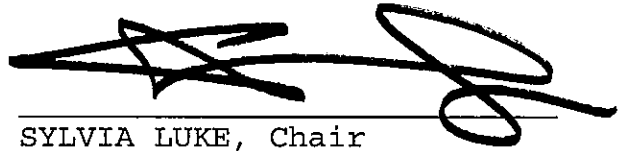
Your Committee has amended this measure by:

- (1) Changing the tax credit percentage to an unspecified amount;
- (2) Changing credit cap and aggregate credit to unspecified amounts;
- (3) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (4) 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. 2042, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2042, H.D. 2.

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



SYLVIA LUKE, Chair



