Honolulu, Hawaii
March 4, 2016

RE: H.B. No. 2517

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. 2517, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOL TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Enable a cesspool certified by the county in which it is located as being within 200 feet of an existing sewer system, to qualify for the cesspool upgrade, conversion, or connection income tax credit (tax credit); and
- (2) Allow a maximum of one tax credit per tax map key for a large capacity cesspool.

The Department of Health and Sierra Club of Hawaii testified in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this measure by:

(1) Changing the maximum amount of the tax credit equal to the qualified expenses of the taxpayer, including a residential large capacity cesspool, to an unspecified amount;

- (2) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity 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. 2517, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2517, H.D. 2.

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

SYLVIA LUKE, Chair

State of Hawaii House of Representatives HSCR 885-16 The Twenty-eighth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB2517 HD1	Committee Referral: EEP/HLT, FIN	Date: 02/25/16		
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. DeCOITE, Lynn				
6. JOHANSON, Aaron Ling		/		
7. JORDAN, Jo	,			
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.			.	
11. LOWEN, Nicole E.				
12. ONISHI, Richard H.K.				
13. TOKIOKA, James Kunane				
14. YAMASHITA, Kyle T.				
15. POUHA, Feki				
16. WARD, Gene				
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TOTAL (16)	14	(1
The recommendation is: Adopted Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				