

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:

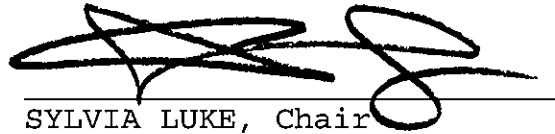
- (1) Changing the maximum amount of the tax credit equal to the qualified expenses of the taxpayer, including a residential large capacity cesspool, to an unspecified amount;



- (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



