

Honolulu, Hawaii
March 24, 2016

RE: S.B. No. 3084
S.D. 1
H.D. 1

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

Sir:

Your Committees on Energy & Environmental Protection and Health, to which was referred S.B. No. 3084, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

beg leave to report as follows:

The purpose of this measure is to disallow a tax credit for cesspool upgrade, conversion, or connection for taxpayers whose adjusted gross income exceeds certain amounts, ranging from \$100,000 to \$200,000, depending on the taxpayers filing status.

The Department of Health, Department of Taxation, and the Tax Foundation of Hawaii offered comments on this measure.

Your Committee has amended this measure by:

- (1) Adding a new section that allows the Department of Health to establish a cesspool upgrade, conversion, or connection tax credit or rebate program to offset qualified expenses incurred by low-income households;
- (2) Doubling income eligibility thresholds;
- (3) Adding a reporting requirement for the Department of Health, to report to the Legislature no later than 20 days before Regular Session of 2017; and



- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3084, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3084, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Health,



DELLA AU BELATTI, Chair



CHRIS LEE, Chair



