

Honolulu, Hawaii

April 8, 2016

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

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose of this measure is to incentivize discontinued use of cesspools for residential waste disposal by:

- (1) Repealing eligibility for the income tax credit for cesspool upgrade, conversion, or connection for taxpayers whose adjusted gross income exceeds \$200,000, \$300,000, or \$400,000, depending on the taxpayers filing status;
- (2) Clarifying the availability of the credit for cesspools connected to multiple residential units;
- (3) Authorizing 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; and
- (4) Requiring the Department of Health to report to the Legislature no later than 20 days before the Regular Session of 2017 on further recommendations to compel or incentivize discontinued use of cesspools.



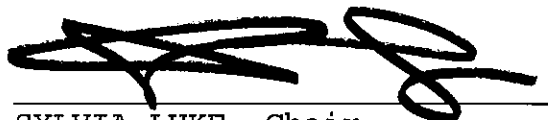
The Department of Health, Department of Taxation, Tax Foundation of Hawaii, and Hawaii Association of Realtors provided comments for this measure.

Your Committee has amended this measure by inserting the contents of H.B. No. 2517, H.D. 2, which:

- (1) Adds county-certified cesspools within 200 feet of an existing sewer system to the definition of "qualified cesspool" for the purposes of determining eligibility for an upgrade, conversion, or connection income tax credit; and
- (2) Amends the maximum available credit amount.

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 S.B. No. 3084, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3084, S.D. 1, H.D. 2.

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

  
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SYLVIA LUKE, Chair

