

SB1261

Measure Title: RELATING TO CESSPOOLS.

Report Title: Income Tax Credit; Cesspool Upgrade, Conversion, or Connection

Description: Allows the tax credit for cesspool upgrade, conversion, or connection for taxpayers who upgrade a qualified cesspool to a wastewater system that includes a composting toilet.

Companion:

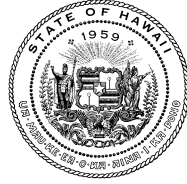
Package: None

Current Referral: CPH/AEN, WAM

Introducer(s): GABBARD, ENGLISH, RIVIERE, RUDERMAN, Dela Cruz, Inouye, K. Rhoads, Shimabukuro, L. Thielen

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



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To: The Honorable Rosalyn H. Baker, Chair
and Members of the Senate Committee on Commerce, Consumer Protection, and Health

The Honorable Mike Gabbard, Chair
and Members of the Senate Committee on Agriculture and Environment

Date: Friday, February 10, 2017
Time: 1:15 P.M.
Place: Conference Room 224, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 1261, Relating to Cesspools

The Department of Taxation (Department) appreciates the intent of the measure, defers to the Department of Health on the merits of this bill, and provides the following comments for your consideration.

S.B. 1261 amends the cesspool upgrade, conversion, or connection income tax credit to include an upgrade to a wastewater system that includes a composting toilet. The measure is effective upon approval.

As written, the Department will be able to implement the measure for tax years beginning after December 31, 2016.

Thank you for the opportunity to provide comments.



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**Testimony COMMENTING on SB1261
RELATING TO CESSPOOLS**

SENATOR ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Hearing Date: February 10, 2017
Time: 1:15 PM

Room Number: 224

- 1 **Fiscal Implications:** None.
- 2 **Department Testimony:** The Department would like to provide comments for this bill.
- 3 Composting toilets are normally installed with graywater systems and are suitable for buildings
- 4 that do not generate kitchen wastewater. Graywater systems may be used to treat and dispose of
- 5 wastewater from showers and bathtubs, hand-washing lavatories, sinks not used for food
- 6 preparation, and washing machines. Residential dwellings and commercial buildings that have
- 7 kitchens are required to install septic tank systems or aerobic treatment units because kitchen
- 8 wastewater needs to be treated like sewage because of its high organic content.
- 9 We believe that the majority of qualified cesspools are connected to buildings with kitchen
- 10 facilities. Therefore, compost toilets and graywater systems will not be an upgrade option for
- 11 most of the qualifying cesspools.
- 12 Thank you for the opportunity to testify on this measure.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Expand cesspool credit eligibility

BILL NUMBER: SB 1261

INTRODUCED BY: GABBARD, ENGLISH, RIVIERE, RUDERMAN, Dela Cruz, Inouye, K. Rhoads, Shimabukuro, L. Thielen

BRIEF SUMMARY: Amends HRS section 235-16.5 to add to the definition of “qualified expenses” the costs of upgrading or converting a qualified cesspool into a wastewater system that includes a composting toilet.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: This measure tinkers with the cesspool credit by adding to the definition of “qualified expenses” eligible for the credit.

Because that definition now contains lots of “ands” and “ors,” paragraph and subparagraph labels should be inserted, as is the case with the existing definition of “qualified cesspool,” to make sure that readers of the law are able to parse the definition correctly.

Digested 2/8/2017

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:51 PM
To: CPH Testimony
Cc: sue.leeloy@hawaiicounty.gov
Subject: *Submitted testimony for SB1261 on Feb 10, 2017 13:15PM*

SB1261

Submitted on: 2/6/2017

Testimony for CPH/AEN on Feb 10, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Council Woman Sue Lee Loy	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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SB1261

Submitted on: 2/1/2017

Testimony for CPH/AEN on Feb 10, 2017 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
David Fukuzawa	Individual	Support	No

Comments: I am in support of this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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