

Honolulu, Hawaii

APR 26 2019

RE: S.B. No. 1394
S.D. 2
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1394, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish a historic preservation income tax credit; and
- (2) Appropriate funds for one temporary position to assist with the establishment and administration of the Hawaii historic preservation income tax credit program.

Your Committee on Conference finds that tax incentives for rehabilitation of historic structures have been proven to be enormously effective in preserving important buildings; ensuring their continued economic viability; revitalizing communities,



especially historic downtowns; preserving community character; and promoting heritage tourism. Tax credits for rehabilitation of historic structures also provide an incentive to promote rehabilitation of income producing historic properties and provide affordable housing. This measure will establish a historic rehabilitation tax credit, which will benefit affordable housing, tourism, neighborhood revitalization, and the economy.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the historic preservation income tax credit is for substantial rehabilitation of a certified historic structure;
- (2) Inserting a \$1,000,000 cap on the tax credits claimed for taxable years 2020, 2021, 2022, 2023, and 2024;
- (3) Removing language that established a temporary position to assist with the establishment and administration of the historic preservations tax credit and appropriated funds for that position;
- (4) Changing the effective date to July 1, 2019; provided that this measure shall be repealed on December 31, 2024;
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1394, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1394, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



TOM BROWER
Co-Chair

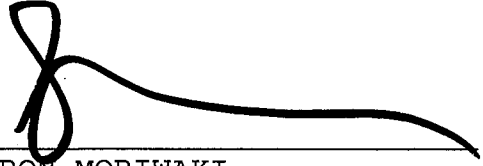


BRIAN T. TANIGUCHI
Chair





SCOT Z. MATAYOSHI
Co-Chair



SHARON MORIWAKI
Co-Chair



