

Honolulu, Hawaii

APR 26 2019

RE: S.B. No. 301
S.D. 1
H.D. 1
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. 301, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION OF REAL ESTATE INVESTMENT TRUSTS,"

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 disallow the tax deduction for dividends paid by real estate investment trusts for state income tax purposes.

In addition, this measure requires ten percent of the revenue generated from the tax on real estate investment trusts to be used by the Department of Business, Economic Development, and Tourism to fund economic development in the State.



Your Committee on Conference finds that this measure subjects dividends paid by real estate investment trusts to the same tax treatment as dividends paid by other corporations.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that ten percent of the revenue generated from the tax on real estate investment trusts be used by the Department of Business, Economic Development, and Tourism to fund economic development in the State;
- (2) Changing the effective date from December 31, 2112, to upon its approval; and
- (3) Providing that the measure shall be repealed on December 31, 2023.

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. 301, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 301, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE



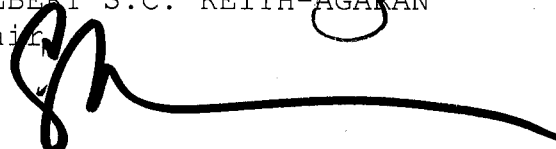
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