STAND. COM. REP. NO.

986

Honolulu, Hawaii

, 2025

FEB 28

RE: H.B. No. 796

H.D. 1

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 796, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to require income tax credits established or renewed after December 31, 2025, to include a five-year sunset or a gradual reduction over a three-year period, beginning with the sixth year of the credit.

Your Committee received testimony in opposition to this measure from the Honolulu Film Office of the City and County of Honolulu; Catholic Charities Hawai'i; Hawai'i Children's Action Network Speaks!; SAG-AFTRA Hawaii Local; Democratic Party of Hawai'i Education Caucus; Coalition Earth; IATSE Local 665; Democratic Party of Hawai'i Labor Caucus; Pride at Work - Hawai'i; Hawai'i Ironworkers Stabilization Fund; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and one individual.

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 H.B. No. 796, H.D. 1, and recommends that it pass Third Reading.

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

ZVIE E VAMACUIEA Chair

State of Hawaii



Record of Votes of the Committee on Finance

| HB794,HDI | Committee Refer | | Date | 2/24/2 | _ |
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| | ECD, FI | | | 0 0 1 1 2 | ك |
| The committee is reconsidering its previous decision on the measure. | | | | | |
| The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) | | | | | |
| FIN Members | A | yes | Ayes (WR) | Nays | Excused |
| 1. YAMASHITA, Kyle T. (C) | | | | | |
| 2. TAKENOUCHI, Jenna (VC) | | | | | |
| 3. GRANDINETTI, Tina Nakada | | Zeitenillen 20 | | dara darkin. Zan | |
| 4. HOLT, Daniel | | | | V-00-01-01-01-01-01-01-01-01-01-01-01-01- | |
| 5. HUSSEY, Ikaika | | Township has Total spin | | | in a training |
| 6. KEOHOKAPU-LEE LOY, Sue L. | | | | | |
| 7. KITAGAWA, Lisa | | | | | |
| 8. KUSCH, Matthias | | | NORSKY, SZC. OZROWNU STRUMENIK MURUJA | | No. amuning and a second second second |
| 9. LAMOSAO, Rachele F. | | | EL CUBRATATION | | |
| 10. LEE, Mike | PARTIES STORES | | | | Nacy ** Production assessment as a second |
| 11. MIYAKE, Tyson K. | | | | | |
| 12. MORIKAWA, Dee | | | $-\infty$ | | 25307634 |
| 13. TEMPLO, Shirley Ann 14. ALCOS III, David | | | MAN | | |
| 15. REYES ODA, Julie | | THE RESERVE | ' <i>T</i> I | | |
| 16. WARD, Gene | | | | | |
| 10. William, Gene | | | | | |
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| TOTAL (16) | | // | 3 | \ | 1 |
| The recommendation is: Adopte | ed 🔲 N | ot Adopted | | • | |
| If joint referral,did not support recommendation. | | | | | |
| committee acronym(s) | | | | | |
| Vice Chair's or designee's signature: | | | | | |
| Distribution: Original (White) – Commettee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | | |
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