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## SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF TAXATION TO REPORT THE FISCAL  
IMPACT AND RATE OF USAGE BY TAXPAYERS OF VARIOUS TAX  
CREDITS AND EXEMPTIONS UNDER CHAPTERS 235, 237, 239, AND  
244D, HAWAII REVISED STATUTES.

1           WHEREAS, in assessing the effectiveness and efficiency of  
2 any tax credit or exemption it is necessary to examine the  
3 fiscal impact and rate of usage by taxpayers of the tax credit  
4 and exemption; and

5  
6           WHEREAS, tax credits and exemptions have an important and  
7 dramatic impact on the economy for the State of Hawaii; and

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9           WHEREAS, the Department of Taxation has not submitted any,  
10 or at least an updated, fiscal impact statement and rate of  
11 usage by Hawaii's taxpayers of certain tax credits and  
12 exemptions listed under chapters 235, 237, 239, and 244D, Hawaii  
13 Revised Statutes; and

14  
15           WHEREAS, the Legislature would benefit greatly from a  
16 report by the Department of Taxation that analyzes the fiscal  
17 impact of certain tax credits and exemptions on the economy of  
18 the State of Hawaii and its taxpayers; now, therefore,

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20           BE IT RESOLVED by the Senate of the Twenty-fourth  
21 Legislature of the State of Hawaii, Regular Session of 2008,  
22 that the Department of Taxation is requested to review the  
23 fiscal impact and rate of usage by taxpayers of various tax  
24 credits and exemptions under chapters 235, 237, 239, and 244D,  
25 Hawaii Revised Statutes; and

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27           BE IT FURTHER RESOLVED that the Department of Taxation is  
28 requested to report on the fiscal impact and rate of usage by  
29 taxpayers of the following tax credits and exemptions listed  
30 under chapters 235, 237, 239, and 244D, Hawaii Revised Statutes:

- 31  
32           (1) Section 235-9.5 (stock options from qualified high  
33 technology businesses excluded from taxation);  
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- 1 (2) Section 237-16.8 (exemption of certain convention,  
2 conference, and trade show fees);  
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- 4 (3) Section 237-23 (exemptions, persons exempt,  
5 applications for exemption);  
6
- 7 (4) Section 237-23.5 (related entities; common paymaster;  
8 certain exempt transactions);  
9
- 10 (5) Section 237-24 (amounts not taxable);  
11
- 12 (6) Section 237-24.3 (additional amounts not taxable);  
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- 14 (7) Section 237-24.5 (additional exemptions);  
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- 16 (8) Section 237-24.7 (additional amounts not taxable);  
17
- 18 (9) Section 237-24.75 (additional exemptions);  
19
- 20 (10) Section 237-24.9 (aircraft service and maintenance  
21 facility);  
22
- 23 (11) Section 237-25 (exemptions of sales and gross proceeds  
24 of sales to federal government, and credit unions);  
25
- 26 (12) Section 237-26 (exemption of certain scientific  
27 contracts with the United States);  
28
- 29 (13) Section 237-27 (exemption of certain petroleum  
30 refiners);  
31
- 32 (14) Section 237-27.5 (air pollution control facility);  
33
- 34 (15) Section 237-27.6 (solid waste processing, disposal,  
35 and electric generating facility; certain amounts  
36 exempt);  
37
- 38 (16) Section 237-28.1 (exemption of certain shipbuilding  
39 and ship repair business);  
40
- 41 (17) Section 237-29 (exemptions for certified or approved  
42 housing projects) after accounting for the effect of  
43 the deduction from gross income for contractors under  
44 section 237-13(3)(B);



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- 2 (18) Section 237-29.5 (exemption for sales of tangible
- 3 personal property shipped out of the State);
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- 5 (19) Section 237-29.53 (exemption for contracting or
- 6 services exported out of State);
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- 8 (20) Section 237-29.55 (exemption for sale of tangible
- 9 personal property for resale at wholesale);
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- 11 (21) Section 237-29.8 (call centers; exemption; engaging in
- 12 business; definitions);
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- 14 (22) Section 239-6.5 (tax credit for lifeline telephone
- 15 service subsidy);
- 16
- 17 (23) Section 239-12 (call centers; exemption; engaging in
- 18 business; definitions); and
- 19
- 20 (24) Section 244D-4.3 (exemption for sales of liquor
- 21 shipped out of the State); and
- 22

23 BE IT FURTHER RESOLVED that the Department of Taxation is  
24 requested to report its findings regarding the fiscal impact and  
25 rate of usage by taxpayers of the tax credits and exemptions  
26 listed above to the Legislature no later than twenty days prior  
27 to the convening of the 2009 Regular Session; and

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29 BE IT FURTHER RESOLVED that certified copies of this  
30 Resolution be transmitted to the Governor of the State of Hawaii  
31 and the Director of Taxation.

