

STAND. COM. REP. NO. 1923

Honolulu, Hawaii

Aj 5, 2007

RE: S.B. No. 707  
S.D. 2  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 707, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO A NEW MARKETS TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to:

- (1) Encourage investment in business in targeted low-income communities in Hawaii; and
- (2) Benefit from the infrastructure established by the successful federal new markets tax credit,

by establishing a state credit equal to the federal new market tax credit for investments in Hawaii made through a qualified community development entity located in Hawaii.

Chun, Kerr, Dodd, Beaman, and Wong, a Limited Liability Law Partnership, Hawaii Science and Technology Council, KUD International LLC, and Phase 3 Properties testified in support of this bill. The Department of Business, Economic Development, and Tourism, Department of Taxation, and The Chamber of Commerce of Hawaii testified in support of the intent of this measure. The Tax Foundation of Hawaii submitted comments.

SB707 HD2 HSCR FIN HMS 2007-3628



Your Committee has amended this bill by:

- (1) Changing the credit allowed under this bill to an unspecified percentage of an investment made through a qualified community development entity;
- (2) Changing the effective date to July 1, 2020, and providing that this credit will sunset on December 31, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 707, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 707, S.D. 2, H.D. 2.

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



MARCUS R. OSHIRO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

HSCP 1923

**Record of Votes of the Committee on Finance**

<b>Bill/Resolution No.:</b> <span style="font-size: 1.2em; font-family: cursive;">SB 707 SP2, HD1</span>	<b>Date:</b> <span style="font-size: 1.5em; font-family: cursive;">4/2/07</span>			
<b>Committee Referral:</b> <span style="font-size: 1.2em; font-family: cursive;">EDB, FIN</span>	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Pass, unamended  <input type="checkbox"/> Hold         </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, with amendments  <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration         </div> </div>				
<b>FIN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. BELATTI, Della Au		✓		
4. BROWER, Tom	✓			
5. CARROLL, Mele	✓			
6. CHONG, Pono	✓			
7. HANOHANO, Faye P.	✓			
8. HAR, Sharon E.	✓			
9. MAGAOAY, Michael Y.	✓			
10. MANAHAN, Joey	✓			
11. MIZUNO, John	✓			
12. NAKASONE, Bob	✓			
13. RHOADS, Karl	✓			
14. SAGUM, Roland D., III	✓			
15. TOKIOKA, James Kunane	✓			
16. AWANA, Karen Leinani	✓			
17. MEYER, Colleen Rose		✓		
18. WARD, Gene, Ph.D.	✓			
<b>TOTAL</b>	16	2	0	0
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Adopted  <input type="checkbox"/> Not Adopted         </div> <div style="width: 45%;">           If joint referral, _____ did not support recommendation.  <small>committee acronym(s)</small> </div> </div> <div style="text-align: center; margin-top: 10px; font-size: 1.5em; font-family: cursive;"> <span style="font-size: 2em;">Marilyn B. Lee</span> </div>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				