

Honolulu, Hawaii

APR 20 2009

, 2009

RE: S.B. No. 199
S.D. 1
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 199, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

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 limit claims for a number of business tax credits for taxable years beginning January 1, 2009, and ending before January 1, 2011, to seventy-five per cent of the taxpayer's liability for the taxable year in which the credit is claimed.

The measure also:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any business credit generated between January 1, 2009, and December 31, 2010;



- (2) Applies to tax credits under the income tax law, public service company tax law, taxation of banks and other financial corporations law, and the insurance code; and
- (3) Includes a list of tax credits that are exempt from the limitations provided for in this measure.

Upon further consideration, your Committee has amended S.B. No. 199, S.D. 1, H.D. 1, by:

- (1) Changing the amount of the tax credit claim limitation from seventy-five per cent to ninety per cent of a taxpayer's tax liability and removing references to "business tax credits" and replacing it with the high technology business investment tax credit and the technology infrastructure renovation tax credit;
- (2) Providing for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Temporarily removing the partner distributive share tax incentive for the high technology business investment tax credit;
- (4) Temporarily suspending the capital goods excise tax credit for one year to coincide with the federal capital goods excise tax credit under section 179 of the Internal Revenue Code; and
- (5) Repealing the entire measure on January 1, 2012, instead of January 1, 2015.


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. 199, 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. 199, 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


MARCUS R. OSHIRO, Chair


DONNA MERCADO KIM, Chair



CCR 51

Hawaii State Legislature

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 199, SD 1, HD 1	Date/Time: 4/18/09 5:48pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

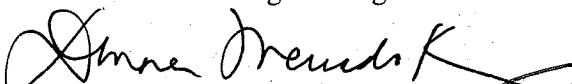
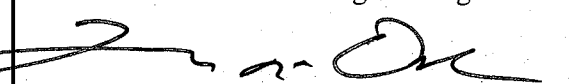
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KIM, Donna Mercado, Chr.	✓				OSHIRO, Marcus R., Chr.	✓			
KOKUBUN, Russell S.	✓				CHONG, Pono	✓			
HEMMINGS, Fred	✓				CHOY, Isaac W.	✓			
					LEE, Marilyn B.	✓			
					WARD, Gene		✓		
TOTAL	3				TOTAL	4	1		

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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