

STAND. COM. REP. NO.

3203

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2326
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2326, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to amend various income tax credits to provide that the basis of eligible property for depreciation of accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of the tax credit claimed.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review.

The proposed S.D. 1 amended this measure by deleting its contents and replacing it with the contents of S.B. No. 2869, S.D. 1, Regular Session of 2012, which:

- (1) Extends the date for the Tax Review Commission to submit its report to the Legislature; and
- (2) Appropriates funds to be used by the Tax Review Commission to conduct an evaluation of the State's tax structure and recommend revenue and tax policy.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Taxation and the Tax Review



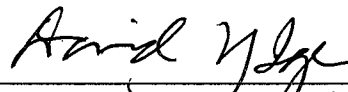
Commission. The Tax Foundation of Hawaii submitted comments on the proposed S.D. 1.

Your Committee finds that the Tax Review Commission was to have been constituted in 2010, with its report delivered to the Legislature prior to the convening of the Regular Session of 2012. Your Committee further finds that the Commission's delayed start was due to the change in Administration and the time needed to solicit new Commission members from the community. This measure would provide additional time for the Tax Review Commission to carry out its duties to conduct a systematic review of the State's tax structure and recommend revenue and tax policy.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by deleting the appropriation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2326, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2326, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

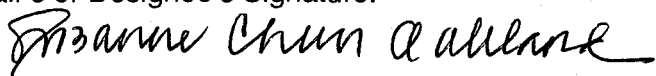


DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HIB 2326 HD 1	WAM	4/4/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.				✓
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes