

STAND. COM. REP. NO. **2960**

Honolulu, Hawaii

**MAR 20 2014**

RE: H.B. No. 2170  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Tourism, to which was referred H.B. No. 2170, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an income tax credit for costs incurred for new hotel construction.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Chamber of Commerce Hawaii, Wyndham Vacation Ownership, Hawaii Regional Council on Carpenters, and UNITE HERE Local 5. Your Committee received comments on this measure from the Department of Taxation and Hawaii Tax Foundation.

Your Committee finds that one of the keys to promoting Hawaii as a visitor destination is the improvement and enhancement of the tourism product, which includes physical infrastructure. This measure provides the private sector with investment incentives to improve hotel facilities. Your Committee further finds that more hotel construction will provide an immediate boost to the economy, while also investing in Hawaii's future economy by securing long-term revenue from the tourism industry.

Your Committee has amended this measure by:

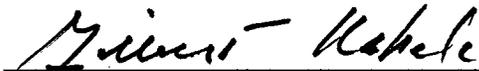
- (1) Inserting a purpose section; and



- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2170, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2170, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

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

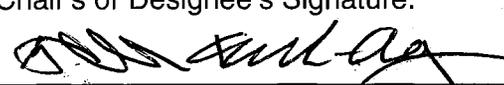


GILBERT KAHELE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Tourism**  
**TSM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2170 HD2	TSM, WAM	03/17/14		
<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
KAHELE, Gilbert (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
IGE, David Y.	✓			
IHARA, Jr., Les	✓			
SLOM, Sam				✓
<b>TOTAL</b>	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes