

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 3007
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3007, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish transparency with regard to which entities benefit from state tax credits.

Specifically, the measure requires the Department of Business, Economic Development, and Tourism to make public disclosures identifying:

- (1) The names of taxpayers receiving tax credits relating to motion picture, digital media, and film production; research activities; and state enterprise zones; and
- (2) The total amount of the tax credit received by each of those taxpayers.

Your Committee received written comments in support of this measure from two individuals.

Your Committee received written comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii.



Your Committee finds that the tax credits that fall within the scope of this measure divert a significant amount of revenue that would otherwise go to the general fund and are thus effectively subsidized by taxpayers. Your Committee therefore believes that taxpayers and the general public have the right to know which entities are receiving the tax credits and how much of the tax credits those entities are receiving.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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 S.B. No. 3007, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3007, S.D. 2.

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


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 3007, SD 1	Committee Referral: EET, WAM	Date: 2/25/20		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.				X
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	10			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**