

STAND. COM. REP. NO.

2523

Honolulu, Hawaii

FEB 12 2020

RE: S.B. No. 3007

S.D. 1

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

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 3007 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 require the
Department of Business, Economic Development, and Tourism to make
a public disclosure identifying the taxpayers receiving tax
credits for certain economic activities.

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

Your Committee finds that the motion picture, digital media,
and film production income tax credit and tax credit for research
activities utilize a significant amount of taxpayer monies to
support the research and film industries. Your Committee believes
that taxpayers should be able to access information regarding who
is receiving the tax credits and how much of the tax credits these
businesses and organizations are receiving. This measure will
improve transparency in how taxpayer monies are being used by
requiring a public disclosure of who is receiving certain tax
credits and how much they are receiving.

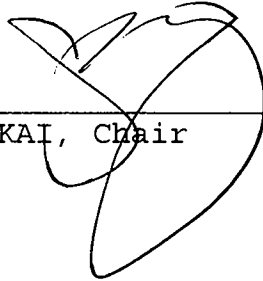
Your Committee has amended this measure by:



- (1) Clarifying that the public disclosure identifies who the taxpayer is and how much of the tax credit they are receiving;
- (2) Amending the effective date to apply to taxable years beginning after December 31, 2020; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3007, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



