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## HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF TAXATION TO DETERMINE THE ECONOMIC  
EFFECTIVENESS OF RECENT LEGISLATION AIMED AT PROVIDING  
INCENTIVES FOR AND CREDITS TO THE HIGH TECHNOLOGY INDUSTRY.

1           WHEREAS, Hawaii's high technology industry continues to  
2 grow, and Hawaii-based companies are venturing into and  
3 succeeding in several areas of high technology including  
4 telecommunications, electronic commerce, networking  
5 infrastructure and hardware, software development, and  
6 biotechnology; and  
7

8           WHEREAS, the reach of high technology goes beyond its own  
9 industry as it improves the efficiency and effectiveness of  
10 other industries in Hawaii as well; and  
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12           WHEREAS, although there is progress in Hawaii's high  
13 technology industry, focus and cohesiveness in the State's  
14 efforts to promote Hawaii's high technology industry is  
15 essential to ensure long-lasting success; and  
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17           WHEREAS, industry, government, and educational leaders have  
18 come together in the past to discuss ideas and plans to further  
19 develop Hawaii's high technology industry; and  
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21           WHEREAS, the Legislature has passed numerous bills and  
22 resolutions over the last several years to assist with the  
23 development of the high technology industry; and  
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25           WHEREAS, examples of such legislation include:

26           (1) Act 195, Session Laws of Hawaii 2001, which authorized  
27 \$10,000,000 in special purpose revenue bonds to assist  
28 Science and Technology International;  
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30           (2) Act 221, Session Laws of Hawaii 2001, which increased  
31 incentives for qualified high technology businesses  
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1 by, among other things, creating a technology  
2 infrastructure renovation income tax credit and  
3 exempting various aspects of the high technology  
4 business sector from general excise taxes;

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6 (3) Act 177, Session Laws of Hawaii 2002, which supported  
7 the operations of the Maui Research and Technology  
8 Center and Manoa Innovation Center through various  
9 appropriations;

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11 (4) Act 41, Session Laws of Hawaii 2004, which provided  
12 funds for infrastructure to expand the High Technology  
13 Development Corporation's incubation services;

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15 (5) Act 129, Session Laws of Hawaii 2004, which authorized  
16 \$30,000,000 in special purpose revenue bonds to assist  
17 Electricore, Inc.;

18  
19 (6) Act 215, Session Laws of Hawaii 2004, which  
20 established a source of venture capital and business  
21 incentives to increase Hawaii's economic diversity and  
22 provide new business opportunities by, among other  
23 things, extending the High Technology Business  
24 Investment Tax Credit for an additional five years and  
25 creating the State Private Investment Fund;

26  
27 (7) Act 173, Session Laws of Hawaii 2005, which  
28 established the High Technology Innovation  
29 Corporation, a nonprofit corporation attached to the  
30 Department of Business, Economic Development, and  
31 Tourism and created to manage and oversee the High  
32 Technology Development Corporation, to assist in  
33 attracting high technology development opportunities  
34 to the state; and

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36 (8) Act 80, Session Laws of Hawaii 2005, which authorized  
37 the issuance of special purpose revenue bonds to  
38 assist Hoku Scientific;

39  
40 and

41  
42 WHEREAS, it is uncertain as to what effect these laws have  
43 had on the promotion and development of the high technology  
44 industry in Hawaii; now, therefore,



1 BE IT RESOLVED by the House of Representatives of the  
2 Twenty-third Legislature of the State of Hawaii, Regular Session  
3 of 2006, the Senate concurring, that the Department of Taxation  
4 (DOTAX), in conjunction with the Department of Business,  
5 Economic Development, and Tourism (DBEDT), is requested to  
6 review recent legislation aimed at assisting the high technology  
7 industry and determine whether this legislation is achieving its  
8 intended purposes; and  
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10 BE IT FURTHER RESOLVED that in its review, DOTAX and DBEDT  
11 provide information and names of businesses receiving these  
12 benefits and the extent to which these benefits aided in the  
13 development of these businesses; and  
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15 BE IT FURTHER RESOLVED that DOTAX is requested to submit a  
16 report, including any proposed legislation, to the Legislature  
17 no later than 20 days prior to the convening of the Regular  
18 Session of 2007; and  
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20 BE IT FURTHER RESOLVED that certified copies of this  
21 Concurrent Resolution be transmitted to the Directors of  
22 Taxation and Business, Economic Development, and Tourism.  
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24  
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OFFERED BY:

*Calvin K. Aoy*  
*J. R. Kamehaha*

MAR 15 2006

