Honolulu, Hawaii

Fe 417, 2006

RE: H.B. No. 3065

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns, to which was referred H.B. No. 3065 entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL INVESTMENTS,"

begs leave to report as follows:

The purpose of this bill is to diversify Hawaii's economy by:

- (1) Increasing the amount of tax credits that can be issued and transferred by the Hawaii Strategic Development Corporation to \$120,000,000;
- (2) Allowing tax credits to apply towards insurance premium taxes;
- (3) Requiring that tax credits be applied to Hawaii companies; and
- (4) Authorizing the Hawaii Strategic Development Corporation to use refundable credits instead of contingent tax credits.

The Hawaii Science and Technology Council, Hawaii Venture Capital Association, Novasol, Referentia Systems, Inc., and Hawaii Crop Improvement Association testified in support of this bill. The Department of Business, Economic Development, and Tourism and Hawaii Strategic Development Corporation supported the intent of this measure. The High Technology Development Corporation and Tax Foundation of Hawaii offered comments.

HB3065 HSCR EDB HMS 2006-2169

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3065 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business Concerns,

JON RIKI KARAMATSU, Chair

State of Hawaii House of Representatives The Twenty-third Legislature

MSCR 626-06

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.:	Date:			
НВ 3065	Feb. 16, 2006			
Committee Referral: EDB, FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	☐ Pass, with amendments			
☐ Hold	□ Recommit			
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KARAMATSU, Jon Riki (C)	V /			
2. WAKAI, Glenn (VC)	V			
3. ABINSAY, Felipe P., Jr.	V,			
4. CHANG, Jerry L.				
5. HERKES, Robert N.	<i></i>			
6. MAGAOAY, Michael Y.	//			
7. TSUJI, Clift	1			
8. YAMASHITA, Kyle T.				
9. CHING, Corinne W.L.				
10. MARUMOTO, Barbara C.				•
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TOTAL	9	Ø	Ø	
The recommendation is:				
□ Not Adopted				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) Committee	Ouplicate (Yello	ow) – Clerk's Office		
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