### A BILL FOR AN ACT

RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 206M, Hawaii Revised Statutes, is 2 amended by adding a new part to be appropriately designated and 3 to read as follows: "PART 4 5 MILITARY TECHNOLOGY INDUSTRIAL PARK 6 \$206M-A Industrial park; military; high technology. The 7 development corporation shall establish a high technology 8 industrial park to develop and sustain Hawaii's high technology 9 industry, and the park shall be dedicated to cultivating 10 military technology businesses and attracting federal 11 contractors and contracts. If the establishment of a new high 12 technology industrial park under this part is not financially 13 feasible, the development corporation may allocate and dedicate all or parts of currently existing industrial parks to comply 14 15 with this part. 16 §206M-B State income tax exemption. The director of 17 taxation shall certify that a qualified business in the military 18 technology industrial park is exempt from the payment of income

# H.B. NO. 476

- 1 taxes on the income received by the qualified business for a
- 2 three year period.
- 3 §206M-C State general excise tax exemption. (a) The
- 4 director of taxation shall certify that a qualified business in
- 5 the military technology industrial park is exempt from the
- 6 payment of general excise taxes on the gross income or gross
- 7 proceeds received by the qualified business for a three year
- 8 period.
- 9 (b) The gross income or gross proceeds received by a
- 10 contractor shall be exempt from the general excise tax for
- 11 construction within the military technology industrial park for
- 12 a qualified business certified by the director."
- 13 §206M-D Definitions. For purposes of this part;
- "Qualified business" means a business that conducts more
- 15 than fifty per cent of its activities in qualified research in
- 16 compliance or cooperation with the United States Department of
- 17 Defense for the development of technologies whose primary
- 18 application is in support of the military.
- "Qualified research" means the same as in section 41(d) of
- 20 the Internal Revenue Code.

## H.B. NO. 476

1 SECTION 2. This Act shall take effect upon its approval,

2 and shall be applicable to taxable years beginning after

December 31, 2010, and before January 1, 2018. 3

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INTRODUCED BY:

**3** 2009

#### Report Title:

Technology park; military

### Description:

Directs the high technology development corporation to establish a technology industrial park for military technology research and development.