STAND. COM. REP. NO. 413

Honolulu, Hawaii

Fe 719, 2009

RE: H.B. No. 699 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 699, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to encourage investment into businesses that perform research that benefits children and the elderly with acute health problems, rural health care, and disease prevention, by establishing a tax credit of ten percent of costs related to this research.

The Department of Taxation (DoTax) opposed this bill. The Tax Foundation of Hawaii commented on this measure.

Your Committee appreciates DoTax's concerns regarding the lack of parameters for the costs that qualify for the credit under this bill. However, the areas of medical research targeted by this credit are in growing sectors of our economy, and that growth should be nurtured and encouraged by the State. Accordingly, to allow further discussion and refinement of this bill, your Committee has changed its effective date to July 1, 2112. A technical, nonsubstantive amendment has also been made for clarity.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 699, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 699, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Economic Revitalization, Business, & Military Affairs,

ANGUS L.K. MCKELVEY, Chair

## State of Hawaii House of Representatives The Twenty-fifth Legislature

## HSCR 413

## Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: HD Committee HB 699 HSCR 51 E	1		Date: Feb. 12, 2009	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. CHOY, Isaac W. (VC)				
3. BERG, Lyla B.				
4. EVANS, Cindy	/			
5. MANAHAN, Joey	<b>✓</b>			
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane	<b>✓</b>			
The state of the s		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
8. TSUJI, Clift		A THE SERVICE OF SERVICE		
9. WAKAI, Glenn				~
10. WOOLEY, Jessica				
11. WARD, Gene	V			
	4			
			, -	
	2			
TOTAL (11)	9			1
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee aeronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				