STAND. COM. REP. NO. 1422

ADril 4, 2013

RE: S.B. No. 1349

S.D. 2 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1349, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

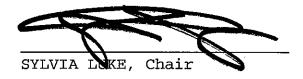
The purpose of this measure is to provide support for scientific innovation in the State by:

- (1) Reestablishing the income tax credit for qualified research activities that applies to taxable years beginning after December 31, 2013, through December 31, 2017;
- (2) Requiring that the Department of Business, Economic Development, and Tourism conduct studies to measure the effectiveness of the tax credit and submit reports to the Legislature; and
- (3) Updating certain provisions of the income tax credit for qualified research activities for conformance with section 41 of the Internal Revenue Code.

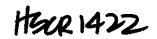
Concentris Systems LLC; Pacific Defense Solutions, LLC; Oceanit; Pukoʻa Scientific; AMS Naturals; Cardax Pharmaceuticals, Inc; Sacred Hearts Academy; HiBEAM; Maui Time; Cheqbook; Levin & Hu, LLP; Kihei Beachfront Resort, LLC; Boeringa, LLC; The Chamber of Commerce of Hawaii; Hawaii Biotech Inc.; Ocean Network; and Oceantronics, Inc. testified in support of this measure. The Department of Taxation; Hawaii Strategic Development Corporation; Tax Foundation of Hawaii; and Navatek LTD provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1349, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,



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



## **Record of Votes of the Committee on Finance**

SB1349 SD2 HD1	EDB, FIN	Date	03/28/13	
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand				
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee				
11. ONISHI, Richard H.K.				
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.				
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth				
17. WARD, Gene				
,				
- Alberta		. <u>.</u>		
TOTAL (17)	15			2
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				