STAND. COM. REP. NO.

898

Honolulu, Hawaii

March 3

2017

RE: H.B. No. 593

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 593, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RESEARCH ACTIVITIES,"

begs leave to report as follows:

The purpose of this measure is to continue support for investment in high technology business and qualified research activities in the State of Hawaii by means of the income tax credit for research activities.

Specifically, this measure:

- (1) Allows the tax credit to be calculated based on all qualified research expenses for the taxable year, without applying the federal base amount and without regard to the amount of expenses for previous years; and
- (2) Appropriates funds for one full-time equivalent permanent compliance specialist position within the Department of Taxation to assist with the certification and administration requirements of the tax credit.

The Chamber of Commerce Hawaii, Navatek, and Oceanit testified in support of this measure. The Department of Taxation,

High Technology Development Corporation, and Tax Foundation of Hawaii commented 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 H.B. No. 593, H.D. 1, and recommends that it pass Third Reading.

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

SYLVIA LUKE, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral: Date:			
HB 593, HD 1	EDB, FIN	1	2-28-	2017
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. CULLEN, Ty J.K. (VC)				
3. CACHOLA, Romy M.			2 1 li dan menulum ata dan men	_
4. CHOY, Isaac W.				
5. DeCOITE, Lynn				
6. GATES, Cedric Asuega				
7. HOLT, Daniel				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. NAKAMURA, Nadine K.				
13. TOKIOKA, James Kunane		/	1	
14. QUINLAN, Sean				
15. YAMASHITA, Kyle T.	V			
16. TUPOLA, Andria P.L.				<u></u>
17. WARD, Gene				
TOTAL (17)	//	2	/	3
The recommendation is:				
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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