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# A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

1           SECTION 1. Section 211F-51, Hawaii Revised Statutes, is  
2 amended by amending the definition of "qualified high technology  
3 business" to read as follows:

4           "Qualified high technology business" [~~+~~  
5 ~~(1)~~ ~~Means~~] means a business, employing or owning capital  
6 or property, or maintaining an office, in this State  
7 that:

8           ~~[(A)]~~ (1) Conducts more than fifty per cent of its  
9 activities in performing qualified research in  
10 this State; or

11           ~~[(B)]~~ (2) Receives more than fifty per cent of its  
12 gross income derived from qualified research;  
13 provided that the income is received from:

14           ~~[(i)]~~ (A) Products sold from, manufactured in, or  
15 produced in the State; or

16           ~~[(ii)]~~ (B) Services performed in this State.

17           ~~[(2) Does not include:]~~



1           ~~(A) Any trade or business involving the performance~~  
2           ~~of services in the field of law, architecture,~~  
3           ~~accounting, actuarial science, consulting,~~  
4           ~~athletics, financial services, or brokerage~~  
5           ~~services;~~

6           ~~(B) Any banking, insurance, financing, leasing,~~  
7           ~~rental, investing, or similar business; any~~  
8           ~~farming business, including the business of~~  
9           ~~raising or harvesting trees; any business~~  
10          ~~involving the production or extraction of~~  
11          ~~products of a character with respect to which a~~  
12          ~~deduction is allowable under section 611 (with~~  
13          ~~respect to allowance of deduction for depletion),~~  
14          ~~613 (with respect to basis for percentage~~  
15          ~~depletion), or 613A (with respect to limitation~~  
16          ~~on percentage depleting in cases of oil and gas~~  
17          ~~wells) of the Internal Revenue Code;~~

18          ~~(C) Any business operating a hotel, motel,~~  
19          ~~restaurant, or similar business; and~~

20          ~~(D) Any trade or business involving a hospital, a~~  
21          ~~private office of a licensed health care~~



1                   ~~professional, a group practice of licensed health~~  
2                   ~~care professionals, or a nursing home.] "~~

3           SECTION 2. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5           SECTION 3. This Act shall take effect on July 1, 2112.



**Report Title:**

Hawaii Technology Investment Program; Qualified High Technology Business; Exemptions from Eligibility

**Description:**

Amends the definition of "qualified high technology business" to remove exclusions of various businesses from eligibility from participation in the Hawaii Technology Investment Program.

(HB2224 HD1)

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