
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-110.91, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (f) to read

4 "(f) As used in this section:

5 "Qualified high technology business" [~~shall have the same~~
6 ~~meaning~~] means:

7 (1) The same as in section 235-7.3(c) [-]; or

8 (2) A small business as defined in section 201M-1;

9 provided that the amount of the credit for a small

10 business shall not exceed \$25,000.

11 "Qualified research" shall have the same meaning as in
12 section 41(d) of the Internal Revenue Code.

13 "Qualified research expenses" shall have the same meaning
14 as in section 41(b) of the Internal Revenue Code; provided that
15 it shall not include research expenses incurred outside of the
16 State.

17 2. By amending subsection (i) to read:



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2 "(i) A qualified high technology business, other than a
3 small business, that claims the credit under this section shall
4 complete and file with the department of business, economic
5 development, and tourism, through that department's website, an
6 annual survey on electronic forms prepared and prescribed by the
7 department of business, economic development, and tourism. The
8 annual survey shall be filed before June 30 of each calendar
9 year following the calendar year in which the credit may be
10 claimed under this section. The department of business,
11 economic development, and tourism may adjust the due date of the
12 annual survey by rules adopted pursuant to chapter 91."

13 3. By amending subsection (n) to read

14 "(n) [~~This~~] For a qualified high technology business that
15 is a small business, this section shall not apply to taxable
16 years beginning after December 31, 2019."

17 SECTION 2. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 3. This Act shall take effect on July 1, 2112, and
20 shall apply to taxable years beginning after December 31, 2017.



Report Title:

Taxation; Small Business; Research and Development; Tax Credit

Description:

Includes small businesses conducting research and development activities within the State as businesses eligible for Hawaii's tax credit for research activities. (HB2599 HD1)

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