Honolulu, Hawaii

Foloman 15 , 2019

RE: H.B. No. 339

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 339 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the refundable credit under the Tax Credit for Research Activities from 100 percent of the allowed federal credit to 125 percent of the allowed federal credit for work done in Hawaii; and
- (2) Extend the sunset date for the tax credit from 2019 to an unspecified date.

The Maui Chamber of Commerce submitted testimony in support of this measure. The Department of Taxation, Hawaii Technology Development Corporation, Tax Foundation of Hawaii, Makai Ocean Engineering, and one individual provided comments.

Your Committee has amended this measure by:

(1) Changing the effective date to December 31, 2112, to promote further discussion; and

(2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business,

ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 339	Committee Referral: EDB, FIN	Date	2-8-2	019
☐ 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)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
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2. KITAGAWA, Lisa (VC)			HONOR DESCRIPTION	MARKET PART CHIEF PER
3. ELI, Stacelynn K.M.				Editor Villa
	BELLEVIEW MALE BUILD			MEN'S TRAINE
4. ICHIYAMA, Linda				
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5. JOHANSON, Aaron Ling			MARKET AND THE STREET	The state of the s
6. QUINLAN, Sean				
U. QUITEAN, Bean			Battano Martin	
7. YAMASHITA, Kyle T.				
8. MATSUMOTO, Lauren				
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TOTAL (8)	7	Ø	Ø	1
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				