STAND. COM. REP. NO.

Honolulu, Hawaii **MAR 03** , 2023 RE: H.B. No. 1193 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1193, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TAX CREDIT FOR RESEARCH ACTIVITIES,"

begs leave to report as follows:

The purpose of this measure is to:

- Extend the repeal date of the tax credit for research activities for an additional five years;
- (2) Add a maximum amount on the tax credit for research activities that a taxpayer and its related entities may be eligible for;
- (3) Consolidate the survey and certification requirements for the tax credit for research activities;
- (4) Change the annual aggregate amount of the tax credit for research activities to an unspecified amount;
- (5) Require certification of the tax credit for research activities on a first-come, first-served basis to be based on the date that a complete application is received, subject to certain conditions; and



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(6) Require a qualified high technology business and at least seventy-five percent of its employees to occupy a business address and location in the State to qualify for the tax credit for research activities.

Your Committee received testimony in support of this measure from Makai Ocean Engineering, Inc. Your Committee received comments on this measure from the Department of Taxation, Hawaii Technology Development Corporation, Oceanit, and Tax Foundation of Hawaii.

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. 1193, H.D. 1, and recommends that it pass Third Reading.

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

KYLE T. YAMASHITA, Chair



State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 1172

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1193 HD1	Committee R ECD, F		Date	311/23	
The committee is reconsidering its prev			I		
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)					
2. KITAGAWA, Lisa (VC)		\checkmark			
3. AIU, Micah P.K.		\sim			
4. CHUN, Cory M.		<u> </u>			
5. COCHRAN, Elle		- V			
6. GARRETT, Andrew Takuya		\checkmark		and distance from the second	
7. KAHALOA, Kirstin		$\sim V$			
8. KILA, Darius K.		<u> </u>			and the second se
9. KOBAYASHI, Bertrand		\sim			
10. LAMOSAO, Rachele F.		\sim		L	SAP's - Take Roomand Upe J - , the House
11. MORIKAWA, Dee		<u> </u>			
12. NISHIMOTO, Scott Y.	明确论认识 化水杨酸盐酸	<u> </u>	TO SALE AND AND AND AND AND AND AND AND AND AND		
13. POEPOE, Mahina		$-V_{-}$			
14. TAKENOUCHI, Jenna		<u>۲</u>			
15. ALCOS III, David					
16. WARD, Gene		V			
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TOTAL (16)		15	0	Ò	(
The recommendation is: 2 Adop	nted	 Not Adopted 		v	<u> </u>
If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
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