HOUSE OF REPRESENTATIVES THE THIRTY-SECOND LEGISLATURE REGULAR SESSION OF 2023

COMMITTEE ON ECONOMIC DEVELOPMENT

Rep. Daniel Holt, Chair Rep. Rachele F. Lamosao, Vice Chair

Rep. Natalia Hussey-Burdick Rep. Sean Quinlan Rep. Sam Satoru Kong Rep. Elijah Pierick

Rep. Nadine K. Nakamura

AMENDED NOTICE OF HEARING

DATE: Wednesday, February 8, 2023

TIME: 10:15 a.m.

PLACE: VIA VIDEOCONFERENCE

Conference Room 423

State Capitol

415 South Beretania Street

Click <u>here</u> to submit testimony and to testify remotely or in person.

A live stream link of all House Standing Committee meetings will be available online shortly before the scheduled start time.

Click here for the live stream of this meeting via YouTube.

AMENDED AGENDA

ECD, FIN

The following measure(s) has been **ADDED** to the agenda: **HB344**, **HB266**

RELATING TO TAX CREDITS.

Status	Allows employers to obtain a tax credit for offering positions to qualified interns in work-based learning programs that have been approved by the department of education or University of Hawaii.	- ,
HB 607 Status	RELATING TO TAXATION. Creates an income tax credit for taxpayers who are farmers, or are producers of agricultural commodities, cooperatives, broad line distributors, or food hubs who ship products and agricultural goods between counties.	ECD, FIN
HB 798 Status	RELATING TO NONPROFIT ORGANIZATIONS. Clarifies the GET exemption for unrelated trade or business activities of nonprofit organizations.	ECD, FIN

HB 399

HB 825 RELATING TO TAXATION. ECD, FIN Status Excludes income received from deferred compensation retirement plans from the state income tax for taxpayers who meet certain income requirements. HB 954 RELATING TO TAXATION. ECD, FIN Status Changes the amount of the state earned income tax credit to an unspecified percentage of the federal earned income tax credit allowed based on an individual's federal income tax return. RELATING TO TAX CREDIT FOR RESEARCH ACTIVITIES. HB 990 ECD, FIN Status Consolidates the survey and certification requirements for the research activities tax credit. Requires the certification based on the date a complete application is received subject to certain conditions. Adds a cap for an eligible taxpayer and the taxpayer's related entities. HB 1193 RELATING TO THE TAX CREDIT FOR RESEARCH ACTIVITIES. ECD, FIN **Status** Extends the repeal date of the tax credits for research activities for an additional 5 years. Adds a cap amount on the tax credit for research activities. Consolidates the survey and certification requirements for the tax credit for research activities. Changes to an unspecified amount the annual aggregate cap amount on the tax credit for research activities. Requires 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. Requires a qualified high technology business and at least 75% of its employees to be physically located in the State. Applies to taxable years beginning after 12/31/2023. RELATING TO TAX CREDITS. HB 1364 ECD, FIN **Status** Renames the refundable food/excise tax credit and makes the credit nonrefundable. Authorizes the Department of Taxation to issue the tax credit to taxpayers annually rather than requiring taxpayers to file for the credit. Applies to taxable years beginning after 12/31/2023. RELATING TO WORKFORCE DEVELOPMENT. ECD, FIN HB 1373 Status Beginning 1/1/2024, requires the department of business, economic development, and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. HB 1384 RELATING TO MANUFACTURING. ECD, FIN **Status** Creates an income tax credit to incentivize the food manufacturing industry in the State. Applies to taxable years beginning after December 31, 2022. RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT ECD, FIN HB 999 CORPORATION. <u>Status</u> Establishes a public policy framework that addresses state goals in the area of economic diversification. Appropriates funds to the Hawaii

Technology Development Corporation to implement specific projects

Development Corporation to submit annual reports to the legislature.

that address those goals. Requires the Hawaii Technology

Effective on July 1, 2023.

HB 344 Status

RELATING TO SPORTS WAGERING.

ECD, JHA/CPC,

FIN

Allows for the regulation of sports wagering by the department of business, economic development, and tourism. Establishes licensing requirements for sports wagering operators and sports wagering suppliers. Specifies that sports wagering shall not be considered games of chance or gambling.

The following measure(s) were previously heard on Friday February 3 at 10 a.m. No public testimony will be accepted.

HB 266 Status

RELATING TO THE LABELING OF PRODUCTS.

ECD, CPC, FIN

Clarifies that in calculating whether a product labeled "Made in Hawaii" has met the requirement that at least fifty-one per cent of the wholesale value of the product is added by manufacture, processing, or production within the State, operating and overhead expenses incurred and spent within the State shall be included. Appropriates funds to promote and develop the "Made in Hawaii" brand.

DECISION MAKING TO FOLLOW

Persons wishing to offer comments should submit testimony at least <u>24 hours</u> prior to the hearing. Testimony received after this time will be stamped late and left to the discretion of the chair to consider. While every effort will be made to incorporate all testimony received, materials received on the day of the hearing or improperly identified or directed, may not be processed.

Testimony submitted will be placed on the legislative website. This public posting of testimony on the website should be considered when including personal information in your testimony.

The chair may institute a per-testifier time limit.

Committees meeting in the morning must adjourn prior to the day's Floor Session. Therefore, due to time constraints, not all testifiers may be provided an opportunity to offer verbal comments. However, written submissions will be considered by the committee.

Please refrain from profanity or uncivil behavior. Violations may result in ejection from the hearing without the ability to rejoin.

For remote testifiers, the House will not be responsible for bad connections on the testifier's end.

For general help navigating the committee hearing process, please contact the Public Access Room at (808) 587-0478 or par@capitol.hawaii.gov.

The cable TV broadcast and/or live stream of this meeting will include closed captioning. If you require other auxiliary aids or services to participate in the public hearing process (i.e. interpretive services (oral or written) or ASL interpreter) or are unable to submit testimony via the website due to a disability, please contact the committee clerk at least 24 hours prior to the hearing so that arrangements can be made.

Click here for a complete list of House Guidelines for remote testimony.

FOR AMENDED NOTICES: Measures that have been deleted are stricken through and measures that have been added are bolded.

For more information, please contact the Committee Clerk at (808) 586-6180

HEARING ECD 02-08-23.DOCX

Rep. Daniel Holt Chair