

STAND. COM. REP. NO.

3040

Honolulu, Hawaii

MAR 0 1 2024

RE: S.B. No. 2497  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2497, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage high technology research in the State.

Specifically, this measure amends the tax credit that is available for research activities by:

- (1) Increasing the total amount of certified credits to an unspecified sum;
- (2) Extending the sunset date of the credit; and
- (3) Amending the definition of the term "qualified high technology business."

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Technology Development Corporation; Hawaii Food Industry Association; Chamber of Commerce Hawaii; H Nu Photonics LLC; PacMar Technologies; Nalu Scientific, LLC; and two individuals.



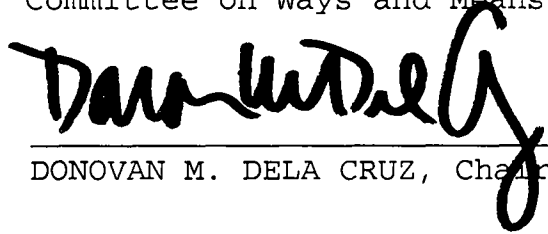
Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that research activities stimulate the State's economy and create beneficial employment opportunities for residents. Your Committee further finds that the amendments made by this measure to the tax credit available for research activities will allow for a wider distribution of tax credits to qualified companies.

Your Committee has amended this measure by amending the definition of the term "qualified high technology business" to remove the requirement that the employees of a business's affiliates be included when determining the number of employees that the business employs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2497, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2497, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



DONOVAN M. DELA CRUZ, Chair



