

STAND. COM. REP. NO. 208

Honolulu, Hawaii

Feb 8, 2007

RE: H.B. No. 584  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,  
to which was referred H.B. No. 584 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to provide incentives for workforce development by high technology businesses by establishing a tax credit for the costs that a high technology business incurs in establishing and operating an education program for public high school students.

Oceanit and the Hawaii Science and Technology Council supported the measure. The High Technology Development Corporation supported the intent of the bill. The Department of Taxation offered comments.

Your Committee finds that many of Hawaii's high technology companies recognize the importance of fostering student interests in science and engineering, and currently participate in and support student educational events. This bill gives companies a further incentive to continue and increase their efforts.

Your Committee has amended this bill by:

- (1) Removing the provision in the bill to recapture the tax credit if the taxpayer no longer qualifies for the credit;

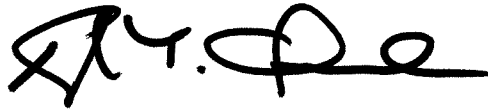
HB584 HD1 HSCR EDB HMS 2007-1884



- (2) Changing its effective date to July 1, 2034, to allow further discussion of the bill; 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 Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 584, H.D. 1, and be referred to the Committee on Finance.

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


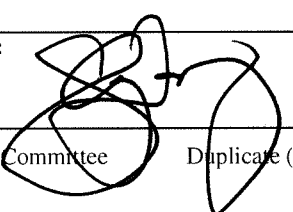


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KYLE T. YAMASHITA, Chair



**Record of Votes of the Committee on Economic Development & Business Concerns**

<b>Bill/Resolution No.:</b> HB 584		<b>Date:</b> February 20, 2007		
<b>Committee Referral:</b> EDB		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.	✓			
4. BROWER, Tom	✓			
5. CHANG, Jerry L.	✓			
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey				✓
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.				✓
12. MARUMOTO, Barbara C.	✓		<del>WAKAI</del>	
				
<b>TOTAL</b>	10	<del>0</del>	<del>0</del>	2
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b> 				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Clerk's Office				