

STAND. COM. REP. NO. 1317

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 1631  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred H.B. No. 1631, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to require qualified high technology businesses claiming the High Technology Business Investment or Research Tax Credit to file with the Department of Taxation an annual survey about employment positions in the State.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism. The Department of Taxation, Hawaii Science & Technology Council, Hawaii Aquaculture Association, Novasol, PacifiCap Group, and one individual submitted testimony in opposition. Enterprise Honolulu and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee previously heard and approved S.B. No. 898, S.D. 1, which is also a reporting measure.

Given the concerns expressed regarding this measure, your Committee has amended H.B. No. 1631, H.D. 2, by deleting its contents and inserting the language from S.B. No. 898, S.D. 1. As amended, this bill:



- (1) Requires the Department of Taxation to report annually on information collected from July 1, 2004, and thereafter on qualified high technology businesses and related tax incentives to properly evaluate their effectiveness; and
- (2) Appropriates unspecified amounts for the Department of Taxation to initiate and begin implementation.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1631, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

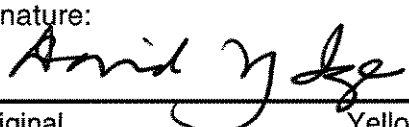
Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Taxation,

  
CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Taxation**  
**EDT**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1631 HDZ	EDT, WAM	3/22/2007		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)				✓
ENGLISH, J. Kalani				✓
IGE, David Y.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes