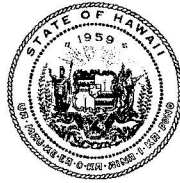


LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



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**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS & MILITARY  
AFFAIRS  
TESTIMONY REGARDING HB 476  
RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**

**DATE: FEBRUARY 17, 2009**

**TIME: 8:30AM**

**ROOM: 312**

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This measure seeks to create a high technology industrial park dedicated to cultivating military technology businesses. This measure provides various tax incentives.

The Department of Taxation (Department) takes **no position** on this measure; however must **oppose the revenue loss** anticipated by this measure.

**NOT FACTORED INTO EXECUTIVE BUDGET**

Though the Department supports the intent of cultivating Hawaii's high technology industry and leveraging means to attract further federal funds, the Department cannot support the tax provision in this measure because it is not factored into the budget. The Department points out that this legislation has not been factored into the Executive Budget and has not been prioritized as a means of tax relief this legislative session. The Department must be cognizant of the biennium budget and financial plan. This measure has not been factored into either. Given the forecasted decrease in revenue projections, this measure would add to the budget shortfall.

**REVENUE IMPACT**

The tax component of this measure will result in a revenue loss of \$6 million per year beginning in FY 2012.

Written Statement of  
**YUKA NAGASHIMA**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, &  
MILITARY AFFAIRS**  
Tuesday February 17, 2009  
8:30 AM  
State Capitol, Conference Room 312

In consideration of  
**HB 476 RELATING TO HIGH TECHNOLOGY DEVELOPMENT CORPORATION.**

Chair McKelvey, Vice Chair Choy and Members of the House Committee on Economic Revitalization, Business, & Military Affairs.

The High Technology Development Corporation (HTDC) supports the intent of this measure which directs the High Technology Development Corporation to establish a technology industrial park for military technology research and development; however, given the current fiscal difficulties, it would not be prudent to pursue enactment at this time.

Thank you for the opportunity to submit testimony.