

# LATE TESTIMONY

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**From:** Bruce Anderson [banderson@oceanicinstitute.org]  
**Sent:** Wednesday, February 18, 2009 9:20 AM  
**To:** EBMtestimony  
**Subject:** HB 727 and HB 552

HB 727 - Relating to Technology Tax Credits  
HB 552 - Relating to the High Technology Business Investment Tax Credit

DATE: February 17, 2009  
TIME: 4:00 p.m.  
PLACE: Conference Room 329

TO: House Committee on Economic Revitalization, Business and Military Affairs  
Representative Angus McKelvey, Chair  
Representative Isaac W. Choi, Vice Chair

FROM: Bruce S. Anderson, Ph.D., President, Oceanic Institute

RE: Testimony in Support of HB 727 and HB 552

Aloha Chair, Vice Chair, and Members of the Committee,

Thank you for the opportunity to testify in support of these bills. Oceanic Institute supports HB 727 because it would extend the sunset date of Act 221 to December 31, 2015. We also support the language clarification in HB 552.

The Department of Taxation's comprehensive study of the Act 221 Investment Credit published in September 2008 concluded that the benefits of Act 221 have far exceeded its costs. The tax credits supported under Act 221/215 have been particularly helpful to the aquaculture industry in Hawaii. As a not-for-profit, the Oceanic Institute cannot take direct advantage of the tax credits allowed under Act 221/215. However, many of our private sector partners involved in developing new aquaculture technologies have taken advantage of these credits. Indeed, most of these would probably not be financially viable today without it. Continuing the tax credits and extending the date is important to giving investors the confidence and investment return that is needed to continue to support this growing industry in Hawaii.

I appreciate the opportunity to testify on these important measures.

Sincerely,

Bruce S. Anderson, Ph.D.  
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February 18, 2009

**HB727 - Relating to Technology Tax Credits**

**HB552 - Relating to the High Technology Business Investment Tax Credit**

DATE: February 17, 2009

TIME: 4:00pm

PLACE: Conference Room 329

TO: House Committee on Economic Revitalization, Business and Military Affairs  
Representative Angus McKelvey, Chair  
Representative Isaac W. Choi, Vice Chair

FROM: Joe Ferraro, FAIA, Principal  
Ferraro Choi And Associates, Ltd

RE: Testimony In Strong Support of HB727  
Testimony In Support of HB552

Aloha Chair, Vice Chair, and Members of the Committee,

Thank you for the opportunity to testify on these bills. FERRARO CHOI strongly support HB727 because it would extend the sunset date of Act 221 to December 31, 2015. We also support the language clarification in HB552.

The Department of Taxation's comprehensive study of the Act 221 Investment Credit published in September 2008 concluded that the benefits of Act 221 have far exceeded its costs:

- As of the end of 2007, more than \$1.2 billion had been invested in at least 333 Act 221 technology and media companies, which had already spent more than \$1.4 billion in Hawaii.
- These Act 221 companies created more than 4,000 employee and independent contractor jobs, which paid more than \$228 million in salary and other compensation in 2007 alone.
- These Act 221 high tech and media companies earned more than \$228 million in revenues in 2007 alone.

Act 221 has been an effective stimulus for the economy, which has resulted in far more investment and job creation in Hawaii than the costs of the credits to the State. In a time of economic recession and a slowdown in tourism, our economy needs Act 221 now more than ever to stimulate and diversify our economy.

Ferraro Choi is an architectural firm formed in 1988 with 23 employees. Most of our clients are scientific and research related including NSF, NOAA, the University of Hawaii, NELHA and the DOE. However we also service smaller research entities such as APIC in Kakaako and work with small startups such as Safe Water Systems located at the Manoa Innovation Center. If this bill is allowed to become law, since our client base is almost exclusively research and educational oriented, we see it driving our base of clients and consultants out for the state or at least reducing jobs for our office. Hawaii needs more that tourism and the federal government's DOD to sustain our economy.

Thank you for the opportunity to testify on this important bill. We respectfully ask that you hold this bill.

Sincerely,

Name: Joe Ferraro, FAIA, LEED AP

Title: Principal

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