

JAN 21 2010

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# A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Following the 2009 legislative session, the  
2 chairs of the senate committee on economic development and  
3 technology and the house committee on economic revitalization,  
4 business, and military affairs convened a technology caucus work  
5 group to bring together industry stakeholders and interested  
6 policymakers to develop recommendations for legislation to  
7 enhance Hawaii's struggling economy. The work group provided a  
8 forum to review the current status of Hawaii's science and  
9 technology industry, identify state or county actions that  
10 impede long-term growth and expansion of technology companies,  
11 and develop recommendations to address these impediments. The  
12 work group also identified best practices supporting the growth  
13 and development of science and technology industries in other  
14 jurisdictions to aid in developing proposed suggestions for  
15 future legislation.

16           The purpose of this Act is to implement the recommendations  
17 of the technology caucus work group.



1 SECTION 2. Section 235-110.91, Hawaii Revised Statutes, is  
2 amended by amending subsection (j) to read as follows:

3 "(j) This section shall not apply to taxable years  
4 beginning after December 31, [~~2010.~~] 2011."

5 SECTION 3. (a) There is established a high technology  
6 research and development task force in the department of  
7 business, economic development, and tourism, for administrative  
8 purposes only. The task force shall develop legislative  
9 initiatives to increase the research activities of high  
10 technology businesses in Hawaii, move these businesses into  
11 production mode, and increase the high technology business  
12 workforce by:

13 (1) Evaluating the tax credit for research activities  
14 under section 235-110.91, Hawaii Revised Statutes; and

15 (2) Developing legislation to improve the credit or  
16 establish alternatives to the credit.

17 (b) The task force shall include the following members:

18 (1) The director of the department of business, economic  
19 development, and tourism, or the director's designee;

20 (2) The director of the department of taxation or the  
21 director's designee;



1 (3) A representative of the Hawaii Science & Technology  
2 Council; and

3 (4) Four members to represent stakeholders in the tax  
4 credit for research activities under section 235-  
5 110.91, Hawaii Revised Statutes, two members to be  
6 appointed by the governor from a list submitted by the  
7 president of the senate, and two members to be  
8 appointed by the governor from a list submitted by the  
9 speaker of the house of representatives.

10 (c) The members of the task force shall serve without  
11 compensation but shall be reimbursed for reasonable expenses  
12 incurred in the performance of their duties.

13 (d) The task force shall submit a report to the  
14 legislature of its findings, recommendations, and proposed  
15 legislation no later than twenty days prior to the convening of  
16 the regular session of 2011. The task force shall be dissolved  
17 upon adjournment of the regular session of 2011, sine die.

18 SECTION 4. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: Carol Fukumaga  
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S.B. NO. 2293

*Chamber*  
*of*



**Report Title:**

High Technology Research and Development Tax Credit

**Description:**

Extends the Tax Credit for Research Activities from 2010 to 2011; creates a High Technology Research and Development Task Force to draft legislation to improve the tax credit or establish alternatives to the tax credit.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

