

STAND. COM. REP. NO.

599

Honolulu, Hawaii

FEB 20, 2009

RE: H.B. No. 1082
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 1082, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to encourage the development of science, technology, engineering, and mathematics (STEM) programs designed to prepare public school students for employment in high technology industries by establishing an income tax credit (Tax Credit) equal to 50 percent of the amount donated to a qualifying STEM program (Tax Credit). This bill further caps the Tax Credit to \$1,000,000 in the aggregate for all taxpayers for each taxable year and establishes a schedule of unspecified limits on the amount of the Tax Credit that may be claimed for different categories of taxpayers.

The Senior Policy Advisor of the Governor, Department of Business, Economic Development, and Tourism (DBEDT), Department of Taxation (DOTAX), Department of Education, and University of Hawaii supported this bill. The Tax Foundation of Hawaii commented on this bill.

HB1082 HD2 HSCR EBM HMS 2009-2360



Your Committee notes that this measure, as referred to your Committee, provides that DBEDT carry out most of the oversight for the Tax Credit, including certification procedures. However, to avoid confusion and duplication of resources, DOTAX would be the more appropriate agency in administering the Tax Credit.

Therefore, your Committee has amended this measure by making DOTAX, instead of DBEDT, responsible for administering the Tax Credit. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1082, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 599

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: HB 1082	Committee Referral: EDN/HED, EBM, FIN	Date: 02/19/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.	✓			
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
TOTAL (11)	10			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
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