

STAND. COM. REP. NO.

3023

Honolulu, Hawaii

APR - 1 2010

RE: H.B. No. 2984  
H.D. 2  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2984, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to extend the tax credit for research activities from December 31, 2010, to December 31, 2011.

The measure also provides that the extension of the tax credit is contingent upon the passage of the final senate drafts of either House Bill No. 2877 or House Bill No. 2962, or both, by both houses of the Legislature.

Your Committee received written comments in support of this measure from the Chamber of Commerce of Hawaii. The Hawaii Science and Technology Council and the Tax Foundation of Hawaii submitted comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that questions have been raised as to whether the tax incentives provided by the technology infrastructure renovation tax credit and the high technology business investment tax credit have resulted in substantial new employment or on-going enterprises. Your Committee also finds that, given the current economic downturn, these tax credits have caused a significant tax burden that has been shouldered by all taxpayers.

HB2984 SD2 SSCR LRB 10-2406.doc




Accordingly, your Committee has amended this measure by:

- (1) Repealing the technology infrastructure renovation tax credit and the high technology business investment tax credit; and
- (2) Deleting the contingency provisions and changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2984, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2984, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

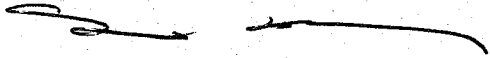


DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2984 HD2 SDI	EOT, WAM	3-29-10		
<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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol			/	
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
<b>TOTAL</b>	10	0	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes