

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 436

S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Health and Economic Development and
Technology, to which was referred S.B. No. 436 entitled:

"A BILL FOR AN ACT RELATING TO LIFE SCIENCES,"

beg leave to report as follows:

The purpose of this measure is to provide a tax incentive for
life sciences companies to conduct clinical trials in Hawaii.

Your Committees received testimony in support of this measure
from the American Cancer Society. Your Committees received
comments on this measure from the Department of Taxation.

Written testimony presented to the Committee may be reviewed
on the Legislature's website.

This measure provides an income tax credit of fifteen per
cent of qualified clinical trial costs concluded in counties of
the State with a population greater than 700,000 residents. If
the clinical trial costs are incurred in a county of the State
with a population equal to or less than 700,000, the percentage of
the tax credit would be increased to twenty per cent.

Your Committees find that life sciences companies that
conduct clinical trials often create more and higher paying jobs
that will help to keep our local graduates employed in the State.
Your Committees further find that clinical trials play an
invaluable part in the battle against cancer.




Your Committees have amended this measure by adopting recommendations submitted by the Department of Taxation by:


- (1) Replacing the Department of Taxation with the Department of Business, Economic Development, and Tourism for the pre-qualification registration and administrative provisions; and
- (2) Including a waiver for the research and development tax credits for any qualified clinical trial cost that has been financed by investments for which a credit was claimed under section 235-110.91, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 436, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 436, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Economic Development and
Technology,



CAROL FUKUNAGA, Chair




DAVID Y. IGE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

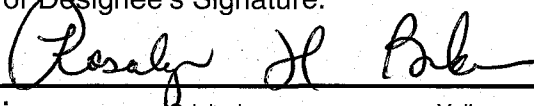
Record of Votes
Committee on Health
HTH

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|--|--------------------------|-------------------------|----------------------------------|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 436 | HTH / EDT, WAM | 2/13/9 | | |
| <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 |
| IGE, David Y. (C) | ✓ | | | |
| GREEN, M.D., Josh (VC) | ✓ | | | |
| BAKER, Rosalyn H. | ✓ | | | |
| ESPERO, Will | | | | ✓ |
| NISHIHARA, Clarence K. | ✓ | | | |
| HEMMINGS, Fred | ✓ | | | |
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| TOTAL | 5 | 0 | 0 | 1 |
| Recommendation: | | | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
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| Distribution: | | | | |
| Original File with Committee Report | Yellow Clerk's Office | Pink Drafting Agency | Goldenrod Committee File Copy | |

*Only one measure per Record of Votes

The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Economic Development and Technology
EDT

| | | | | |
|--|---------------------------------------|-------------------------|----------|----------|
| Bill / Resolution No.:* SB430 | Committee Referral: HTH/EDT | Date: 2-13-09 | | |
| <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 |
| FUKUNAGA, Carol (C) | ✓ | | | |
| BAKER, Rosalyn H. (VC) | ✓ | | | |
| HEE, Clayton | | | | ✓ |
| IGE, David Y. | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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| TOTAL | 3 | — | — | 2 |
| 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