

STAND. COM. REP. NO. 926

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 1642  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1642, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

begs leave to report as follows:

The purpose of this bill is to support high technology research in Hawaii by extending the existing tax credit for research activities (Credit) to December 31, 2015. This bill also establishes an annual aggregate cap on the Credit.

The Hawaii Strategic Development Corporation, High Technology Development Corporation, Oceanit, Referentia Systems Incorporated, Pukoa Scientific, Williams Aerospace, and several concerned individuals supported this bill. The Department of Taxation (DOTAX), Tax Foundation of Hawaii, and The Chamber of Commerce of Hawaii submitted comments.

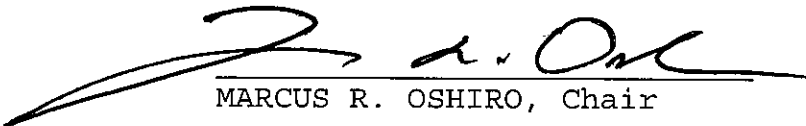
Your Committee has amended this measure by:

- (1) Requiring DOTAX to collect data regarding the Credit;
- (2) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1642, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



