

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 1511
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1511, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Reauthorize the dormant income tax credit for qualified research activities for an additional five years to December 31, 2015, and to repeal the tax credit on December 31, 2016; and
- (2) Direct the University of Hawaii to extend the High Technology Development Corporation's land lease, with the same terms, for 25 years beyond the existing lease's expiration date.

Pukoa Scientific and a concerned individual supported the measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; University of Hawaii System; Hawaii Strategic Development Corporation; High Technology Development Corporation; and Tax Foundation of Hawaii offered comments on the measure.

Your Committee has amended this measure by:

- (1) Deleting its purpose and findings section;


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- (2) Deleting the section relating to the reauthorization of the dormant tax credit for qualified research activities for an additional five years;
- (3) Changing its effective date to July 1, 2012, and removing the repeal and reenactment language; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1511, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1511, H.D. 2.

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


MARCUS R. OSHIRO, Chair



