

STAND. COM. REP. NO.

1230

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 983
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 983, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII STRATEGIC DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose and intent of this measure is to promote the development of high technology ventures in the State by amending the Hawaii Strategic Development Corporation provisions related to tax credits.

More specifically, this measure:

- (1) Amends the definitions of "tax credits" and "taxpayer" in section 211G-1, Hawaii Revised Statutes, to include insurance premium taxes among the taxes against which the credit may be claimed, and makes related amendments in section 211G-12, Hawaii Revised Statutes;
- (2) Changes the total amount and aggregate total per fiscal year of tax credits that may be issued to, and transferred by, the Hawaii Strategic Development Corporation to unspecified amounts; and
- (3) Changes the date after which the tax credits transferred by the Hawaii Strategic Development Corporation may first be exercised from July 1, 2005, to July 1, 2013,



and changes the last date on which the tax credits may be exercised from July 1, 2030, to an unspecified date.

Your Committee received written comments in support of this measure from Yuka Nagashima, Executive Director and Chief Executive Officer, High Technology Development Corporation; The Chamber of Commerce of Hawaii; and James P. Karins, President, Pukoa Scientific.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the increase and expansion of tax credits that may be issued to and transferred by the Hawaii Strategic Development Corporation will provide additional financing options that will attract outside investment to Hawaii. This capital formation strategy will help to diversify the State's economy and promote the development of high technology ventures.

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. 983, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

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

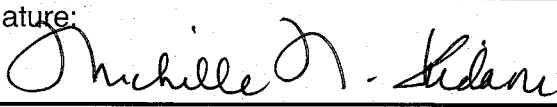


DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 983, HD2, SD1	EOT, WAM	4-7-11		
<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 checked="" 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)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.				/
ENGLISH, J. Kalani				/
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam				/
TOTAL	11	0	0	3
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