

STAND. COM. REP. NO. 1075-12

Honolulu, Hawaii
March 16, 2012

RE: S.B. No. 2941
S.D. 2
H.D. 1

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

Sir:

Your Committee on Economic Revitalization & Business, to which was referred S.B. No. 2941, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure as received by your Committee, is to extend the income tax credit for qualified research activities for an additional five years and to add extensive reporting requirements related to the tax credit.

For the purposes of a public hearing on this bill, your Committee circulated Proposed S.B. No. 2941, S.D. 2, H.D. 1 and notified the public that it would be accepting testimony on the proposal, which extends the income tax credit for qualified research activities for an additional five years and adds extensive reporting requirements related to the tax credit.

Your Committee received testimony from the following organizations and individuals on S.B. No. 2941, S.D. 2, as received by your Committee, and on the proposed draft.

Dual Use Hawaii; Skai Ventures; Cardax Pharmaceuticals, Incorporated; Archinoetics; Novasol; Schlissel and Associates; Puko'a Scientific; and the Chamber of Commerce of Hawaii testified in support of the measure as received by your Committee. Two individuals testified in support of the intent of the measure as

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received by your Committee. The Hawaii Strategic Development Corporation and Tax Foundation of Hawaii provided comments on the measure as received by your Committee.

Concentris Systems testified in support of the proposed draft. The Tax Foundation of Hawaii and Hawaii Strategic Development Corporation provided comments on the proposed draft.

Your Committee respectfully requests that the Committee on Finance examine the possibility of inserting a clawback section into the measure.

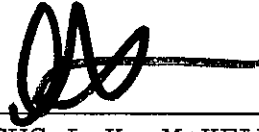
Your Committee considered the merits of both S.B. No. 2941, S.D. 2, as received by your Committee, and the proposed draft, and upon careful consideration adopted the proposed draft with the following amendments:

- (1) Inserting the contents of H.B. No. 2872, H.D. 3, which allows for aerospace high technology to be considered a permitted land use in an agricultural land use district;
- (2) Inserting the contents of H.B. No. 1511, H.D. 2, which extends the land lease for the high technology development corporation;
- (3) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2941, S.D. 2, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



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State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Proposed HD

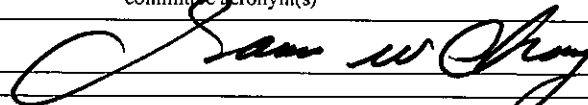
Bill/Resolution No.: SB 2941, SD2 (SSCP 2635)	Committee Referral: ERB, FIN	Date: 3/15/12
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	X			
2. CHOY, Isaac W. (VC)	X			
3. AWANA, Karen L.	X			
4. BROWER, Tom	X			
5. EVANS, Cindy	X			
6. HASHEM, Mark J.	X			
7. NISHIMOTO, Scott Y.	X			
8. TOKIOKA, James Kunane	X			
9. TSUJI, Clift	X			
10. MARUMOTO, Barbara C.	X			
11. PINE, Kymberly Marcos	X			
TOTAL (11)	11	-	-	-

The recommendation is: Adopted Not Adopted
 (If joint referral, _____ did not support recommendation.
 committee acronym(s))

Vice Chair's or designee's signature: 

Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO