

STAND. COM. REP. NO. 1669-12

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 2941  
S.D. 2  
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 S.B. No. 2941, S.D. 2, 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) 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;
- (2) Allow aerospace high technology parks to be considered a permitted land use in an agricultural land use district; and
- (3) Require an extension of the land lease for the High Technology Development Corporation by the University of Hawaii.

The Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; Pacific International Space Center for Exploration Systems; NovaSol; Cardax Pharmaceuticals, Inc.; and an individual testified in support of this measure. The University of Hawaii testified in opposition to this measure. The Department of the Attorney General, Department

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of Taxation, Office of Planning, Hawaii Strategic Development Corporation, High Technology Development Corporation, and Tax Foundation of Hawaii provided comments on this measure.

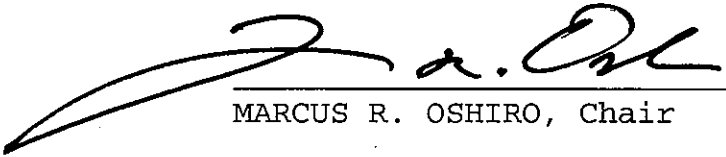
Your Committee has amended this measure by:

- (1) Deleting the section of the measure that extends the income tax credit for qualified research activities for an additional five years and adds extensive reporting requirements related to the tax credit;
- (2) Permitting an aerospace high technology park in the state land use agricultural district by special permit, rather than as a specified permissible use in the district;
- (3) Inserting language that authorizes the establishment of aerospace high technology enterprise zones and designates pilot aerospace high technology enterprise zones on the island of Hawaii;
- (4) Requiring the Department of Business, Economic Development, and Tourism, in consultation with the Department of Taxation, to submit a report to the Legislature by December 31 of each year, beginning in 2012, regarding the implementation of the pilot aerospace high technology enterprise zones in Hawaii county;
- (5) Changing the effective date of this measure to July 1, 2012; and
- (6) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2941, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2941, S.D. 2, H.D. 2.



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



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MARCUS R. OSHIRO, Chair



