

STAND. COM. REP. NO.

1422

Honolulu, Hawaii

April 4, 2013

RE: S.B. No. 1349  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1349, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to provide support for scientific innovation in the State by:

- (1) Reestablishing the income tax credit for qualified research activities that applies to taxable years beginning after December 31, 2013, through December 31, 2017;
- (2) Requiring that the Department of Business, Economic Development, and Tourism conduct studies to measure the effectiveness of the tax credit and submit reports to the Legislature; and
- (3) Updating certain provisions of the income tax credit for qualified research activities for conformance with section 41 of the Internal Revenue Code.

Concentris Systems LLC; Pacific Defense Solutions, LLC; Oceanit; Puko'a Scientific; AMS Naturals; Cardax Pharmaceuticals, Inc; Sacred Hearts Academy; HiBEAM; Maui Time; Cheqbook; Levin & Hu, LLP; Kihei Beachfront Resort, LLC; Boeringa, LLC; The Chamber

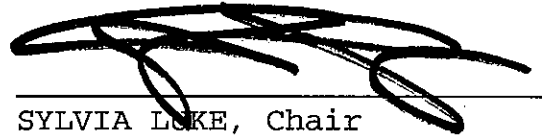
SB1349 HD1 HSCR FIN HMS 2013-3107



of Commerce of Hawaii; Hawaii Biotech Inc.; Ocean Network; and Oceantronics, Inc. testified in support of this measure. The Department of Taxation; Hawaii Strategic Development Corporation; Tax Foundation of Hawaii; and Navatek LTD provided comments on this measure.

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. 1349, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



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SYLVIA LUKE, Chair



