

STAND. COM. REP. NO.

652

Honolulu, Hawaii

MAR - 1 2013

RE: S.B. No. 736  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committees on Economic Development, Government Operations and Housing and Technology and the Arts, to which was referred S.B. No. 736 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to stimulate economic growth in Hawaii by re-enacting the income tax credit for qualified research activities for a period of five years and adding reporting requirements.

Your Committees received testimony in support of this measure from Pukoa Scientific; Oceanit Laboratories, Inc.; Navatek, Ltd.; The Chamber of Commerce of Hawaii; and two individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Taxation; Hawaii Strategic Development Corporation; High technology Development Corporation; and the Tax Foundation of Hawaii.

Your Committees find that the tax credit for qualified research activities sunset on December 31, 2010. The tax credit is important to the success of local research and high technology companies as it allows these companies to remain competitive with mainland companies. The tax credit also fosters job growth and the purchase of goods and services in Hawaii.

Your Committees have amended this measure by:

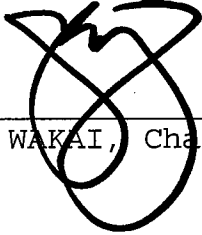
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- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 736, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 736, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development, Government  
Operations and Housing and  
Technology and the Arts,



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GLENN WAKAI, Chair



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DONOVAN M. DELA CRUZ, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development, Government Operations and Housing**  
**EGH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 736	EGH/TEC, WAM	2/13/13		
<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 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
DELA CRUZ, Donovan M. (C)	X			
SLOM, Sam (VC)	X			
BAKER, Rosalyn H.				X
CHUN OAKLAND, Suzanne	X			
ENGLISH, J. Kalani	X			
THIELEN, Laura H.	X			
WAKAI, Glenn				X
<b>TOTAL</b>	5	0	0	2
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

The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Technology and the Arts**  
**TEC**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 736	EGH/TEC, WAM	2/14/13		
<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 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
WAKAI, Glenn (C)	/			
NISHIHARA, Clarence K. (VC)	/			
GABBARD, Mike	/			
TOKUDA, Jill N.				/
SLOM, Sam	/			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Clarence K. Nishihara</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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