



HAWAII
STRATEGIC
DEVELOPMENT
CORPORATION



Written Statement of

KARL FOOKS

President

Hawaii Strategic Development Corporation
and

Yuka Nagashima

Executive Director and CEO

High Technology Development Corporation

Before the

HOUSE COMMITTEE ON FINANCE

March 28, 2013

3:15 PM

State Capitol, Conference Room 308

In consideration of

SB 1349 SD2 HD1 RELATING TO ECONOMIC DEVELOPMENT.

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and Members of the Committee on Finance:

The Hawaii Strategic Development Corporation (HSDC) and the High Technology Development Corporation (HTDC) respectfully submit comments on SB 1349 SD2 HD1. The state tax credit for research activities sunset at the end of calendar year 2010. This tax credit program was an effective measure to support research and development activities, which in turn, foster and encourage the innovation essential to create high-wage job opportunities in our economy.

SB 1349 SD2 HD1 includes important requirements to collect data and provide metrics on the effectiveness of the proposed research tax credit. We recommend that resources be appropriated to the Department of Business, Economic Development and Tourism in order that they are able to effectively collect the data, analyze the impacts and report their findings.

Finally, the objective of SB 1349 SD2 is to promote economic development in the State. Supporting research activities alone will not accomplish this objective. We recommend the Committees also consider a comprehensive policy that supports the continuum of entrepreneurialism, research commercialization and business formation capabilities needed to foster high growth businesses. As part of an entrepreneurial ecosystem, a research tax credit program can be effective in creating sustainable high wage jobs.

Thank you for the opportunity to submit testimony on this bill

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Tax credit for research activities

BILL NUMBER: SB 1349, HD-1

INTRODUCED BY: House Committee on Economic Development and Business

BRIEF SUMMARY: Amends HRS section 235-110.91 to provide that the federal tax provisions in section 41 of the Internal Revenue Code (IRC) as that section was enacted on December 31, 2011, shall remain in effect for purposes of determining the state income tax credit under this section. The federal tax provisions in IRC section 41, as enacted on December 31, 2011, shall apply only to expenses incurred for qualified research activities after December 31, 2010. Stipulates that in order to claim the proposed credit, a qualified high technology business shall also claim the federal tax credit for the same qualified research activities.

Adds a definition of qualified research expenses to provide that it shall have the same meaning as in IRC section 41(b) provided it shall not include research expenses incurred outside of the state.

Requires a qualified high technology business that claims the credit under this section to complete and file with the director of business, economic development and tourism (DBEDT), through the department's website, an annual survey on electronic forms prepared and prescribed by the department. Requires the survey to be filed before June 30 of each year following the calendar year in which the credit is claimed under this section. Permits the department to adjust the due date of the annual survey by rule.

The survey shall include: (1) identification of the industry sector in which the qualified high technology business conducts business; (2) total and qualified expenditures; (3) revenue and expense data; (4) Hawaii employment and wage data including the number of full and part-time employees retained, new jobs, temporary positions, external services procured by the business, and payroll taxes; (5) filed intellectual property, including invention disclosures, provisional patents, and patents issued or granted; and (6) the number of new companies spun out or established to commercialize the intellectual property owned by the qualified high technology business.

DBEDT may request any additional information necessary to measure the effectiveness of the tax credit such as information related to patents. DBEDT shall use information collected under this section and through its other reporting requirements to prepare summary descriptive statistics by category. The information shall be reported at the aggregate level to prevent compromising identities of qualified high technology business investors or other confidential information. DBEDT shall also identify each qualified high technology business that is the beneficiary of tax credits claimed under this section. DBEDT shall report the information required under this subsection to the legislature by September 1 of each year.

Directs DBEDT, in collaboration with the department of taxation, to use the information collected to study the effectiveness of the tax credit under this section and report on the amount of tax credits claimed and total taxes paid by qualified high technology businesses; the number of qualified high technology businesses in each industry sector; jobs created; external services and materials procured by the businesses; compensation levels; qualified research activities; and any other factor DBEDT deems relevant. DBEDT shall report the results of its study to the legislature by December 1 of each year.

This section shall not apply to taxable years beginning after December 31, 2017.

EFFECTIVE DATE: July 1, 2050; applicable to tax years beginning after December 31, 2013

STAFF COMMENTS: The legislature by Act 178, SLH 1999, and Act 221, SLH 2001, enacted various tax incentives to encourage the development of high technology businesses in the state. These acts provided investment and research credits, as well as income exclusions and tax incentives, to encourage high tech businesses and individuals associated with high tech businesses to locate in the state.

While the focus on high technology in the last few years is commendable, it fails to recognize that investments are made with the prospect that the venture will yield a profit. If the prospects for making a profit are absent, no amount of tax credits will attract investment from outside Hawaii's capital short environment. People do not invest to lose money. It should be remembered that until Hawaii's high cost of living can be addressed, all the tax incentives in the world will not make a difference in attracting new investment to Hawaii. The only attractive aspect for resident investors to plough money into such activities is the fact that the credit provides a way to avoid paying state taxes.

Given the fiasco of Act 221, which amounted to nothing more than an outright give away of precious state tax dollars on a dollar-for-dollar basis, this proposal, and all others proposing additional business-targeted tax credits, should give lawmakers reason for pause before heading down the same disastrous path again.

If, indeed, the goal is to attract more research activities, then the state should concentrate its resources on enhancing the academic synergy implicit in the pursuit of research activities. While investors are important for research activities, if there is no promise that the environment is fertile to foster and nurture the creativity and initiative vital to sound research, no amount of money is going to attract such activities. Thus, the tax credit just becomes another throw away of taxpayer dollars. If the federal credit is insufficient to attract research to Hawaii, then a state tax credit cannot surmount the hurdle.

Digested 3/27/13



Cardax Pharmaceuticals, Inc.

2800 Woodlawn Drive, Suite 129, Honolulu, HI 96822

telephone 808.457.1400 fax 808.237.5901

www.cardaxpharma.com

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair
Rep. Aaron Ling Johanson, Vice Chair

DATE: Thursday, March 28, 2013
TIME: 3:15 P.M.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

This is David G. Watumull, President and CEO of Cardax Pharmaceuticals, Inc. ("Cardax"). We strongly **support** SB1349 SD2, HD1 with amendments.

Cardax is developing a new class of powerful anti-inflammatory compounds with the efficacy of aspirin and steroids but with the safety of food. We have been fortunate to raise more than \$25 million for our company but start-ups in the life science industry, in Hawaii and elsewhere, face a daunting task to find sufficient financing.

While many people, including many economists, believe that all or most "good" companies with important breakthroughs will be funded by the "market," reality suggests a far different picture. Across the globe, hundreds of promising "early stage" companies or technologies, particularly in the life science arena, are not being funded by traditional venture capital and pharmaceutical company sources. Instead, most of this funding goes to "late stage" companies. To counteract this dynamic, many states, cities, and foundations across the country and around the world are contributing to the creation and support of "early stage" life science companies. To be competitive, Hawaii must do the same if it wants to participate in what many consider to be the largest growth opportunity of the 21st century.

In particular, the **SD1349 SD2** is a good start. It will provide an R&D tax credit modeled modeled after Federal legislation that help Hawaii, with its high cost of living and distance from major scientific employment centers, compete on a more level playing field. We propose that its provisions allow the credit to be claimed beginning with Tax Year 2011. Passing this bill will help to create high growth businesses, including life science companies, and provide new opportunities to grow and diversify Hawaii's economy. Most importantly, the R&D tax credit outlined in this bill is an important part of an entrepreneurial ecosystem that creates high wage jobs, keeps talented people here, and brings talented kamaaina home.

Sincerely,

David G. Watumull
President and CEO, Cardax Pharmaceuticals, Inc.
2800 Woodlawn Dr. Suite 129
(808) 457-1375
dwatumull@cardaxpharma.com



Written Statement of
Arthur Martirosian, AMS Naturals

HOUSE COMMITTEE ON FINANCE

March 28, 2013, 3:15PM
State Capitol, Conference Room 308

In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee
Re: **Testimony in Support of SB1349 SD2 Relating to Economic Development**

Aloha Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit the following comments reflecting my **strong support** of **SB1349 SD2**.

The R&D tax credit has proven to be imperative for Hawai'i's economy. It has created new jobs and has already set the foundation for strong growth in our State's revenue. Your continued support of this bill would ensure that our tech companies continue investing their time and money within the boundaries of our State. Research and development is a critical aspect of a sustainable economy, an economy that cannot be reliant solely on revenue from tourism.

The passage of this bill would mean the continuation and growth of a high tech industry in Hawai'i. It would also mean that we would not be grooming our brightest keiki to use their skills outside our community out of pure necessity. We cannot afford to have an absent high-tech industry.

Thank you for continuing to recognize R&D as a stimulant to our economy that our keiki can be a part of.

Signed:

Arthur Martirosian
CEO
AMS Naturals
arthur@amsnaturals.com

March 26, 2013

TESTIMONY IN SUPPORT OF & REQUESTING AMENDMENT TO SB1349 SD2 HD1

HEARING DATE: Thursday, March 28, 2013 TIME:3:15 p.m. PLACE:Conference Room 308

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Scott Y. Nishimoto, Vice Chair; Rep. Aaron Ling Johanson, Vice Chair

Aloha Chair Luke, Vice Chairs Nishimoto and Johanson and FIN Committee members:

I am Martin Kao, President of Navatek, a research and development company for military and commercial applications. We strongly support SB1349 SD2 HD1 and urge your committee to pass this measure with one requested amendment.

On page 4, Under section 235-110.91 Tax credit for research activities, we request that the deleted sentence be included again as highlighted below:

- (a) Section 41 (with respect to the credit for increasing research activities) and section 280C(c) (with respect to certain expenses for which the credit for increasing research activities are allowable) of the Internal Revenue Code shall be operative for the purposes of this chapter as provided in this section **except that references to the base amount shall not apply and credit for all qualified research expenses may be taken without regard to the amount of expenses for previous years. If section 41 of the Internal Revenue Code is repealed or terminated prior to January 1, 2011, its provisions shall remain in effect for purposes of the income tax law of the State as modified by this section, as provided for in subsection (j)**

Putting this language back in will prevent unintended consequences that will hurt industry. Without the requested language, many local companies will not even qualify for the credit, can actually punish companies for increasing revenue, and disincentivizes larger research companies from locating a branch office in Hawaii. All of which go against the intent of this measure to support the R&D industry in Hawaii.

We recognize that the legislature has been very supportive of the technology industry in the past and continues to recognize the importance of Hawaii's innovation industries to our economy. With major reductions in military funding, the R&E credit is very important to the success of our local R&E companies. A critical issue is being lost in the discussions. The R&D credit is based on qualified expenses SPENT IN THE STATE OF HAWAII. Supporting this credit incentivizes R&D companies to spend monies on wages, materials and subcontractors IN THE STATE OF HAWAII.

With the previous R&D credit, Hawaii companies used to require new hires to move to Hawaii and would make active decisions to buy materials and hire subcontractors IN THE STATE OF HAWAII. Since the sunset of the R&D credit, companies are now willing to allow new hires to stay on the mainland and use more economical materials and subcontractors from out of the state.

Our industry has suffered a number of hardships since 2010: sunset of previous state R&D credit, elimination of federal earmarks, decline of federal contracts – and with the recent passing of Senator Inouye and Sequestration – now is a critical time to support local R&D companies and help us continue to create high-paying, high-skilled jobs for our future.

Mahalo for your support,
Martin Kao
Navatek Ltd

SB1349

Submitted on: 3/26/2013

Testimony for FIN on Mar 28, 2013 15:15PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Chung	Navatek Ltd.	Support	Yes

Comments: Aloha Chair Luke, Vice Chairs Nishimoto and Johanson and FIN Committee members: I am Ann Chung, Director of Special Projects for Navatek, a research and development company for military and commercial applications. We strongly support SB1349 SD1 HD1 and respectfully request 1 amendment: On page 4, Under section 235-110.91 Tax credit for research activities, we request that the deleted sentence be included again: "except that references to the base amount shall not apply and credit for all qualified research expenses may be taken without regard to the amount of expenses for previous years. If section 41 of the Internal Revenue Code is repealed or terminated prior to January 1, 2011, its provisions shall remain in effect for purposes of the income tax law of the State as modified by this section, as provided for in subsection (j)" We recognize that the legislature has been very supportive of the technology industry in the past and continues to recognize the importance of Hawaii's innovation industries to our economy. With major reductions in military funding, the R&E credit is very important to the success of our local R&E companies. A critical issue is being lost in the discussions. The R&D credit is based on qualified expenses SPENT IN THE STATE OF HAWAII. Supporting this credit incentivizes R&D companies to spend monies on wages, materials and subcontractors IN THE STATE OF HAWAII. With the previous R&D credit, Hawaii companies used to require new hires to move to Hawaii and would active decisions to buy materials and hire subcontractors IN THE STATE OF HAWAII. Since the sunset of the R&D credit, companies are now willing to allow new hires to stay on the mainland and use more economical materials and subcontractors from out of the state. Our industry has suffered a number of hardships since 2010: sunset of previous state R&D credit, elimination of federal earmarks, decline of federal contracts – and with the recent passing of Senator Inouye and Sequestration – now is a critical time to support local R&D companies and help us continue to create high-paying, high-skilled jobs for our future. Mahalo for your consideration and leadership.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



Written Testimony

James P Karins, PhD
President, Pukoa Scientific
before the

HOUSE COMMITTEE ON FINANCE

March 28, 2013

3:15 PM

State Capitol, Conference Room 308

In consideration of
SB 1349 SD2, HD1 RELATING TO ECONOMIC DEVELOPMENT

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committees

Pukoa Scientific strongly supports SB 1349 SD2, HD1 for the R&D tax credit..

Pukoa, like most of the other DoD research and development contractors, has suffered over the past couple of years through significant reductions in available funding while withstanding increased costs due to lost R&D tax credits, increased unemployment insurance and other taxes. The proposed extension of the R&D tax credit helps put Hawaii based companies on a level playing field to mainland companies that have lower costs of business and their own R&D tax credits.

Therefore, we urge the committee to **pass this measure**. Thank you for the opportunity to express our views.

James P. Karins, PhD
Karins@pukoa.com
(407)694-4485



Written Statement of
Dr. Patrick K. Sullivan
Founder & Chairman
Oceanit
before the
HOUSE COMMITTEE ON FINANCE
March 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee

From: Dr. Patrick K. Sullivan, Founder & Chairman, Oceanit

Re: **Testimony in Support of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **support** of **SB1349 SD2**.

Oceanit currently employs about 160 scientists, engineers and support staff. We regularly host interns, school classes, and conduct numerous outreach activities for elementary thru college level keiki to introduce them to science and engineering careers. We let keiki know that there are exciting, decent paying jobs for them in Hawai'i if they pursue these careers. Many of them have returned to us, equipped with college degrees, wanting to work in science and engineering. It is our hope that we can continue to offer an alternative to keiki who want to work in an industry that is growing nationally as well as internationally, and to show them that world class technical work can thrive in Hawai'i.

The R&D credit has helped to jump start an industry that is in its infancy in Hawai'i. It has been responsible for job creation, as well as many long-term investments Oceanit has made that will set the stage for growth into the future. The reality is that without Hawai'i's R&D tax credit, Oceanit would not have been able to make these investments.

Because of the forward-looking nature of research, few R&D investments have short-term rewards. This bill would re-establish a temporary refundable R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that is struggling to grow. We urge you to maintain the momentum that you started.

Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,

Dr. Patrick K. Sullivan
Founder & Chairman

Written Statement of
Pacific Defense Solutions, LLC (PDS)
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Donald L Forrester, COO for Pacific Defense Solutions, LLC
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

Because of the forward-looking nature of research, few R&D investments have short-term rewards. This bill would re-establish a temporary refundable R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that is struggling to grow. We urge you to maintain the momentum that you started.

Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Donald L Forrester
Chief Operating Officer, PDS-LLC



Written Statement of
Stephen Brennan, Vice President
Concentris Systems LLC
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: **Name, Title, Organization**
Re: **Testimony in Support of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to voice our **strong support** of **SB1349 SD2**.

Over the past decade, Hawaii's research and development (R&D) tax credit successfully helped fuel growth in the technology sector by enabling local companies to win Federal research and development contracts, and to make investments in basic and applied research that are the key to economic growth in a global innovation economy. These R&D investments not only stimulate the creation of high-paying jobs for scientists and engineers, they help Hawaii companies solve problems in the arenas of defense, energy, agriculture, environmental science and information technology.

Concentris Systems is one such company. Founded in 2006, Concentris has successfully brought in research and development projects from the US Army RDECOM, DARPA, the Department of Energy, and others. Based in Manoa, our wireless mesh systems are used worldwide, and we frequently work with faculty of the University of Hawaii and employ UH students in our research.

SB1349 bill would re-establish a temporary R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that must flourish in order for Hawaii to compete globally in the 21st Century. It is worth noting that most states that have successfully attracted high-tech businesses have adopted similar tax credits because their legislators recognize the vital importance of R&D to the tech industry.

I urge you to maintain the momentum in Hawaii's tech industry by voting AYE for SB1349.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Brennan", followed by a long horizontal line extending to the right.

Stephen V. Brennan
Vice President of Business Development
Concentris Systems LLC

Written Statement of
Fritz Amtsberg – Oceantronics, Inc.
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee

From: Fritz Amtsberg – Programs – Oceantronics, Inc.

Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

Because of the forward-looking nature of research, few R&D investments have short-term rewards. This bill would re-establish a temporary refundable R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that is struggling to grow. We urge you to maintain the momentum that you started.

Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,

**Fritz M.
Amtsberg**

Digitally signed by Fritz M. Amtsberg
DN: cn=Fritz M. Amtsberg,
email=fritz@oceantronics.net,
o=Oceantronics, Inc., ou=Program
Managment, c=US
Date: 2013.03.27 11:34:41 -10'00'

Written Statement of
Doug Levin, Levin & Hu, LLP
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Doug Levin, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

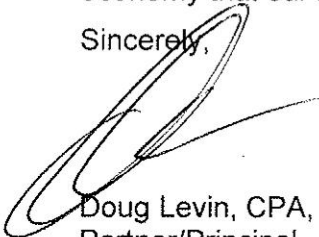
Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Doug Levin, CPA, MBT
Partner/Principal
Levin & Hu, LLP

Written Statement of
Mimi Hu, Levin & Hu, LLP
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Mimi Hu, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:


Thank you for the opportunity to submit comments in **strong support of SB1349 SD2.**

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

Because of the forward-looking nature of research, few R&D investments have short-term rewards. This bill would re-establish a temporary refundable R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that is struggling to grow. We urge you to maintain the momentum that you started.

Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Mimi Hu, CPA, MAcc
Partner/Principal
Levin & Hu, LLP

Written Statement of
Kathy Harima
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Kathy Harima, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

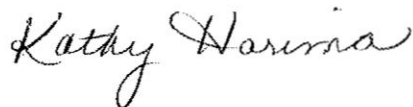
Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Kathy Harima
Administration
Levin & Hu, LLP

Written Statement of
Bonnie Yurkanin
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Bonnie Yurkanin, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support of SB1349 SD2.**

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Bonnie Yurkanin
Administration
Levin & Hu, LLP

Written Statement of
Lani Stout
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Lani Stout, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support of SB1349 SD2.**

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

Because of the forward-looking nature of research, few R&D investments have short-term rewards. This bill would re-establish a temporary refundable R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that is struggling to grow. We urge you to maintain the momentum that you started.

Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,

A handwritten signature in black ink, appearing to read "Lani Stout", with a long, sweeping underline that extends to the right.

Lani Stout
Administration
Levin & Hu, LLP

Written Statement of
Remalyn Rosete
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Remalyn Rosete, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support of SB1349 SD2.**

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

Because of the forward-looking nature of research, few R&D investments have short-term rewards. This bill would re-establish a temporary refundable R&D income tax credit for qualified research activities in the State of Hawai'i, to help provide longer-term continuity for an industry that is struggling to grow. We urge you to maintain the momentum that you started.

Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,

A handwritten signature in black ink, appearing to read 'Remalyn Rosete', with a horizontal line extending to the right.

Remalyn Rosete, CPA
Tax Manager
Levin & Hu, LLP

Written Statement of
Tom Marino
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Tom Marino, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support of SB1349 SD2.**

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Marino', written in a cursive style.

Tom Marino, CPA
Tax Manager
Levin & Hu, LLP

Written Statement of
Venus Co
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Venus Co, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Sincerely,


Venus Co
Tax Manager
Levin & Hu, LLP

Written Statement of
Linda Helbling
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Linda Helbling, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Linda Helbling
Tax Manager
Levin & Hu, LLP

Written Statement of
Leizl Tabon
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Leizl Tabon, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Sincerely,



Leizl Tabon, CPA
Tax Manager
Levin & Hu, LLP

Written Statement of
Mila Co
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Mila Co, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

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Sincerely,



Mila Co
Staff Accountant
Levin & Hu, LLP

Written Statement of
Jonell Vale
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Jonell Vale, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

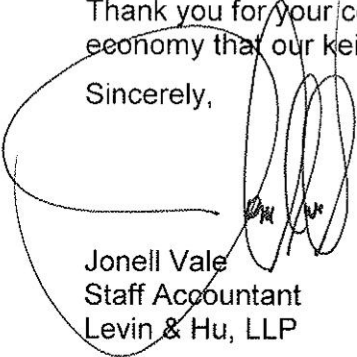
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Sincerely,



Jonell Vale
Staff Accountant
Levin & Hu, LLP

Written Statement of
Jennifer Fischer
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Jennifer Fischer, Levin & Hu, LLP
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

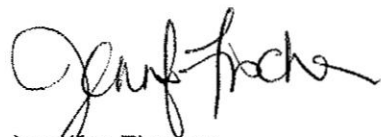
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Sincerely,



Jennifer Fischer
Staff Accountant
Levin & Hu, LLP

Written Statement of
Ryan Buckley
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Ryan Buckley, DDM dba Cheqbook
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

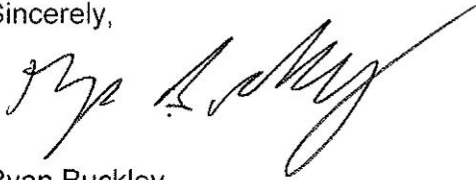
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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Ryan Buckley
Computer Programmer
DDM, dba Cheqbook

Written Statement of
Ben Ward
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Ben Ward, DDM dba Cheqbook
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support of SB1349 SD2.**

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Sincerely,



Ben Ward
Chief Technology Officer
DDM, dba Cheqbook

Written Statement of
Tommy Russo, Maui Time
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Tommy Russo, Maui Time
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

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The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Tommy Russo
Publisher
Maui Time

Written Statement of
Mimi S. J. Hu, CPA, Inc.
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Mimi Hu, President, Mimi S. J. Hu, CPA, Inc.
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

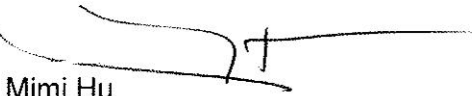
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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Mimi Hu
President

Written Statement of
Kihei Beachfront Resort, LLC
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Lani Stout, Manager, Kihei Beachfront Resort LLC
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,



Lani Stout
Manager

Written Statement of
Boeringa, LLC
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee
From: Kim Boeringa, Manager, Boeringa, LLC
Re: **Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development**

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in **strong support** of **SB1349 SD2**.

The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. It has been responsible for job creation, as well as many long-term investments tech companies have made that will set the stage for growth into the future.

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Thank you for your continued support of R&D as the stimulant to an innovative Hawai'i STEM economy that our keiki can be a part of.

Sincerely,


Kim Boeringa
Manager



Sacred Hearts Academy

3253 Waialae Avenue ■ Honolulu, Hawaii 96816 ■ 808.734.5058 ■ Fax 737.7867 ■ www.sacredhearts.org

Written Statement of
Betty White, Sacred Hearts Academy
before the
HOUSE COMMITTEE ON FINANCE
MARCH 28, 2013, 3:15 PM
State Capitol, Conference Room 308
In Support of
SB1349 SD2 Relating to Economic Development

To: Chair Luke, Vice Chairs Nishimoto & Johanson, and Members of the Committee

From: Betty White, Principal, Sacred Hearts Academy

Re: Testimony in SUPPORT of SB1349 SD2 Relating to Economic Development

Honorable Chair, Vice-Chairs and Committee Members:

Thank you for the opportunity to submit comments in strong support of SB1349 SD2.

As the Head of School of Sacred Hearts Academy, a K-12 college preparatory school with a strong emphasis on STEM, I think it is vital that we support the continued growth of a technology industry here in Hawai'i.

At a school-level, we do everything we can to encourage our students to take an active interest in STEM, from holding an annual Science Symposium, to participating in robotics competitions, to building and racing small electric cars, to communicating with orbiting space stations.

Yet many of our brightest students end up leaving these islands. The R&D tax credit has been essential in jump starting the tech industry in Hawai'i. Re-instating it will only help to encourage the growth of an innovative STEM economy that our children can be a part of.

Thank you for the opportunity to offer comments in support of this bill.

Sincerely,

Betty White
Head of School

SB1349

Submitted on: 3/27/2013

Testimony for FIN on Mar 28, 2013 15:15PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bee Leng Chua, PhD	HiBEAM	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

SB1349

Submitted on: 3/27/2013

Testimony for FIN on Mar 28, 2013 15:15PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Sanders	Individual	Support	No

Comments: With 20/20 hindsight, I still believe that not only did my company, Ocean Network, benefit from Act 221/215, but that the State of Hawaii benefited from it with good new companies and more money coming in than credits going out! Because of the Great Recession, we still need some investments and the credits would help, and the State would still benefit. I join the other tech entrepreneurs in support of this.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov