

STAND. COM. REP. NO.

312

Honolulu, Hawaii

February 14, 2017

RE: H.B. No. 593

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 593 entitled:

"A BILL FOR AN ACT RELATING TO RESEARCH ACTIVITIES,"

begs leave to report as follows:

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

- (1) Requiring that the amount of the State tax credit for research activities be calculated based on all qualified research expenses for the taxable year; and
- (2) Appropriating funds for a compliance specialist position within the Department of Taxation to assist with the administration of this tax credit.

The High Technology Development Corporation, The Chamber of Commerce Hawaii, Oceanit, Navatek, and several concerned individuals testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2038, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and

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purpose of H.B. No. 593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 593, H.D. 1, and be referred to your Committee on Finance.

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

  
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MARK M. NAKASHIMA, Chair



