STAND. COM. REP. NO.

Honolulu, Hawaii

February 14

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:

- Requiring that the amount of the State tax credit for (1) research activities be calculated based on all qualified research expenses for the taxable year; and
- 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,

MARK M. NAKASHIMA, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

H5CR312

Record of Votes of the Committee on Economic Development & Business

	e Referral:	Date: 2/8/17		
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)				
2. KEOHOKALOLE, Jarrett (VC)	/			
3. HOLT, Daniel				Maria deservica de la como de la
4. JOHANSON, Aaron Ling				
5. TAKUMI, Roy M.				
J. TAKUMI, KUY M.				
6. YAMASHITA, Kyle T.				
7. MATSUMOTO, Lauren Kealohilani				
TOTAL (7)	6			l
The recommendation is: θ Adopted θ Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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