

STAND. COM. REP. NO.

898

Honolulu, Hawaii

March 3, 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 Finance, to which was referred H.B. No. 593, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to continue support for investment in high technology business and qualified research activities in the State of Hawaii by means of the income tax credit for research activities.

Specifically, this measure:

- (1) Allows the tax credit to be calculated based on all qualified research expenses for the taxable year, without applying the federal base amount and without regard to the amount of expenses for previous years; and
- (2) Appropriates funds for one full-time equivalent permanent compliance specialist position within the Department of Taxation to assist with the certification and administration requirements of the tax credit.

The Chamber of Commerce Hawaii, Navatek, and Oceanit testified in support of this measure. The Department of Taxation,

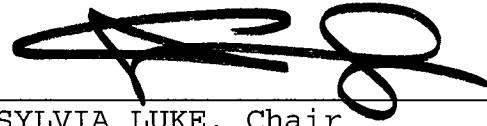
HB593 HD1 HSCR FIN HMS 2017-2725



High Technology Development Corporation, and Tax Foundation of Hawaii commented 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 H.B. No. 593, H.D. 1, and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



