

STAND. COM. REP. NO.

1606

Honolulu, Hawaii

MAR 22 , 2019

RE: S.B. No. 965
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which
was referred S.B. No. 965, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the state tax credit for research activities to
an unspecified portion of the allowable federal tax
credit;
- (2) Allow for the recapturing of the credit if the business
no longer qualifies within a five-year period after the
credit was first claimed; and
- (3) Amend the qualifying tax years.

The O'ahu County Committee on Legislative Priorities of the
Democratic Party of Hawai'i, Makai Ocean Engineering, Inc., Maui
Chamber of Commerce, The Chamber of Commerce Hawaii, and a
concerned individual testified in support of this measure. The
Department of Taxation, Hawaii Technology Development Corporation,
and Tax Foundation of Hawaii provided comments on this measure.

SB965 HD1 HSCR EDB HMS 2019-3366



Your Committee has amended this measure by changing its effective date to July 1, 2112.

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 purpose of S.B. No. 965, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 965, S.D. 1, 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,



ANGUS L.K. MCKELVEY, Chair



