

STAND. COM. REP. NO. **655**

Honolulu, Hawaii

**February 15**, 2019

RE: H.B. No. 339  
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 H.B. No. 339 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 refundable credit under the Tax Credit for Research Activities from 100 percent of the allowed federal credit to 125 percent of the allowed federal credit for work done in Hawaii; and
- (2) Extend the sunset date for the tax credit from 2019 to an unspecified date.

The Maui Chamber of Commerce submitted testimony in support of this measure. The Department of Taxation, Hawaii Technology Development Corporation, Tax Foundation of Hawaii, Makai Ocean Engineering, and one individual provided comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to December 31, 2112, to promote further discussion; and

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- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, 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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ANGUS L.K. MCKELVEY, Chair



