

STAND. COM. REP. NO.

3094

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2545  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2545 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the tax credit for research activities established under section 235-110.91, Hawaii Revised Statutes.

More specifically, this measure increases the aggregate cap amount of the tax credit from \$5,000,000 to \$25,000,000.

Your Committee received testimony in support of this measure from Makai Ocean Engineering, Inc.; Oceanit; Sustainable Bioresources, LLC; and one individual.

Your Committee received comments on this measure from the Department of Taxation, Hawaii Technology Development Corporation, and Tax Foundation of Hawaii.

Your Committee finds that the tax credit for research activities encourages job growth in research and development. Your Committee also finds that the tax credit fosters diversification of the State's economy by creating and maintaining science, technology, engineering, and mathematics jobs in the State.

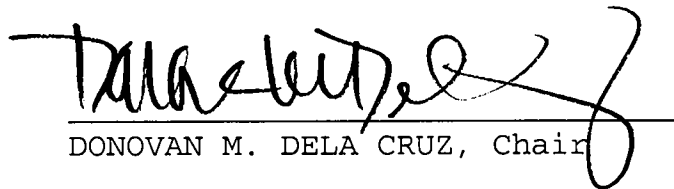


Your Committee has amended this measure by:

- (1) Changing the aggregate cap amount of the tax credit for research activities to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,




DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <i>SB 2545</i>	Committee Referral: <i>WAM</i>	Date: <i>2/26/20</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
<b>TOTAL</b>	<i>10</i>			<i>3</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes