

STAND. COM. REP. NO.

3368

Honolulu, Hawaii

FEB 2 9 2020

RE: S.B. No. 3035  
S.D. 2

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. 3035, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an income tax credit to foster research and development in ocean and marine sciences.

Your Committee received written comments in support of this measure from Makai Ocean Engineering, Inc.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Taxation, Natural Energy Laboratory of Hawaii Authority, and Tax Foundation of Hawaii.

Your Committee finds that research and development in ocean sciences is an intrinsic and essential part of Hawaii's future sustainability. Your Committee believes that supporting and encouraging more research and development in ocean and marine sciences will foster and fuel innovative ideas and promote entrepreneurship that will better position Hawaii for future economic growth and expansion.



Your Committee has amended this measure by:

- (1) Expanding the definition of "small business" to include businesses that employ no more than fifty employees and have revenues of less than \$5,000,000 per year;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 3035, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3035, S.D. 2.

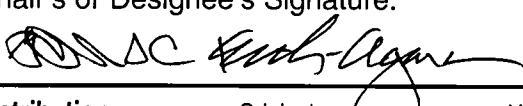
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
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.:* <b>SB 3035, SD1</b>	Committee Referral: <b>EET, WAM</b>	Date: <b>02/20/20</b>		
<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>	<b>10</b>			<b>3</b>
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