

Honolulu, Hawaii

MAY 01 2015

RE: S.B. No. 1001
S.D. 2
H.D. 1
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1001, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MANUFACTURING,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to establish an income tax credit for taxpayers who incur certain expenses for manufacturing-related activities in Hawaii.

Your Committee on Conference finds that manufacturers in Hawaii produce goods that are in demand across the United States and around the world. Thus, developing and supporting manufacturing in Hawaii could reduce Hawaii's need to import consumer products and lead to greater economic development. Your Committee on Conference further finds that, according to The Chamber of Commerce Hawaii, Hawaii has more than one thousand active manufacturers that currently employ approximately seventeen thousand workers.



Your Committee on Conference believes that establishing a manufacturing development tax credit would provide financial benefits to manufacturers, thereby increasing their growth and encouraging other manufacturers to begin operations in Hawaii, to strengthen Hawaii's economy.

Your Committee on Conference has amended this measure by reverting to the S.D. 2 version, which establishes a manufacturing development program, rather than a manufacturing income tax credit, through which the High Technology Development Corporation may provide grants to manufacturers in the State for the purchase of and training of employees to use manufacturing equipment and improvement in energy efficiency of manufacturing equipment, and further amending the measure by:

- (1) Additionally authorizing grants for studying or planning the implementation of a new manufacturing facility;
- (2) Increasing the maximum grant amount that a company may receive in any given year from \$20,000 to \$100,000;
- (3) Inserting an appropriation amount of \$2,000,000 for fiscal year 2015-2016 only to the High Technology Development Corporation to facilitate the provision of grants;
- (4) Inserting an effective date of July 1, 2015; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1001, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1001, S.D. 2, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



DEREK S.K. KAWAKAMI, Co-Chair



GLENN WARAI, Chair



AARON LING JOHANSON, Co-Chair



JILL N. TOKUDA, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1001, SD 2, HD 1 Date/Time: 5/1/15 2:44pm

[X] The recommendation of the House and Senate managers is to pass with amendments (CD).

[] The Committee is reconsidering its previous decision.

[] The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

[] The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

Table with columns for Senate Managers and House Managers, and sub-columns for A, WR, N, E. Includes names like WAKAI, Glenn, Chr. and KAWAKAMI, Derek S.K., Co-Chr. and a TOTAL row at the bottom.

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: [X] Adopted [] Not Adopted

House Recommendation is: [X] Adopted [] Not Adopted

Senate Lead Chair's or Designee's Signature: [Signature]

House Lead Chair's or Designee's Signature: [Signature]

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