STAND. COM. REP. NO. 3072

Honolulu, Hawaii

MAR 0 1 2024

RE: S.B. No. 2527 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2527, 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 promote development of the high technology industry in the State.

More specifically, this measure:

- (1) Temporarily reinstates the Technology Infrastructure Renovation Tax Credit;
- (2) Amends the definition of "renovation costs" to include the repair, replacement, monitoring, and testing of technology-enabled infrastructure machinery; and
- (3) Expands the definition of "technology-enabled infrastructure" to include data servers.

Your Committee received written comments in support of this measure from Charter Communications, Hawaiian Electric, Hawaiian Telcom, and Servpac.

Your Committee received written comments on this measure from the Department of Taxation, Chamber of Commerce Hawaii, and Tax Foundation of Hawaii.

Your Committee finds that upgrading and modernizing equipment necessary for data storage will improve resilience against physical damage caused by weather-related events and cybersecurity threats, and will ensure the continued, uninterrupted provision of services to Hawaii businesses, state government, satellite agencies, and residents. Your Committee believes that this measure will promote the development of the high technology industry in the State and yield greater investment from within and outside of the State.

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. 2527, S.D. 1, and recommends that it pass Third Reading.

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

DONOVAN M. DELA CRUZ, Chair

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* SB 2927 SD \	Committee Referral:		1	Date: 3/1/2024	
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)) Nay	Excused
DELA CRUZ, Donovan M. (C)		×			
MORIWAKI, Sharon Y. (VC)		X			
AQUINO, Henry J.C.		X			
DECOITE, Lynn		×			
HASHIMOTO, Troy N.		×			
INOUYE, Lorraine R.		X			
KANUHA, Dru Mamo		X			
KIDANI, Michelle N.		X			
KIM, Donna Mercado		X			
LEE, Chris	_	Х			
SHIMABUKURO, Maile S.L.					X
WAKAI, Glenn		X			
FEVELLA, Kurt		Х			
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TOTAL		12	0	0	ſ
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes