

STAND. COM. REP. NO.

759

Honolulu, Hawaii

FEB 11 , 2025

RE: H.B. No. 1143
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Water & Land, to which was referred H.B. No. 1143 entitled:

"A BILL FOR AN ACT RELATING TO A STATE HISTORIC PRESERVATION INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to reenact the Historic Preservation Income Tax Credit for substantial rehabilitation of a certified historic structure that was repealed on December 31, 2024.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Historic Hawai'i Foundation. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the Historic Preservation Income Tax Credit provided property owners in the State economic support and incentive to continue to rehabilitate, adaptively reuse, and preserve historic buildings and residences. This measure provides the Department of Land and Natural Resources with a valuable tool and incentive to promote investment and economic development in the State by maintaining historic buildings.

2025-1393 HB1143 HD1 HSCR HMSO



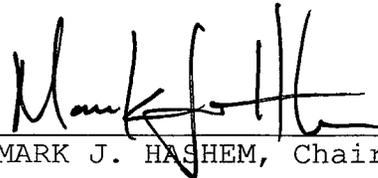
Your Committee has amended this measure by:

- (1) Changing the annual aggregate tax credit caps to unspecified amounts;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an aggregate tax credit cap of \$1,000,000 for each taxable year.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1143, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,


MARK J. HASHEM, Chair



