

Honolulu, Hawaii

MAR 18 2025

RE: H.B. No. 1152  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred H.B. No. 1152, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to permanently exempt the software developer supervisor in the Department of Taxation and the data privacy officer and tax business analysts in the Office of the Director of Taxation from civil service.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the software developer supervisor, data privacy officer, and tax business analyst positions are all highly specialized positions that require experience and knowledge beyond the civil service regime. These positions are needed as part of the Department of Taxation's ongoing efforts to modernize the State's tax filing system through the Tax Modernization Program and join the Internal Revenue Service Direct File program in 2026. Your Committee further finds that experienced software developer supervisors are difficult to recruit and retain due to



highly competitive salaries in the private sector. This measure will support the Department of Taxation's goal to modernize the State's tax filing system and attract more specialized, experienced professionals to employment with the State.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor and  
Technology,

  
HENRY J. AQUINO, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Labor and Technology**  
**LBT**

Bill / Resolution No.:* <i>HD 1152, HD1</i>	Committee Referral: <i>LBT, WAM</i>	Date: <i>3/12/25</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
AQUINO, Henry J.C. (C)	<i>Y</i>			
LEE, Chris (VC)	<i>Y</i>			
IHARA, Jr., Les	<i>Y</i>			
MORIWAKI, Sharon Y.				<i>Y</i>
FEVELLA, Kurt	<i>Y</i>			
<b>TOTAL</b>	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:right; margin-right: 100px;"></div>				
<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**