

STAND. COM. REP. NO.

1003

Honolulu, Hawaii

FEB 28 , 2025

RE: H.B. No. 1369

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 Finance, to which was referred H.B. No. 1369 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to repeal certain credits, deductions, and exemptions under the income tax, general excise tax, and use tax laws.

Your Committee received testimony in opposition to this measure from the Honolulu Film Office of the City and County of Honolulu; Credence Projects LLC; SAG-AFTRA Hawaii Local; Malama Kaua'i; Hawaii Energy Connection; Energy Advisors; Inter-Island Solar Supply; League of Women Voters of Hawaii; Photonworks Engineering; Hawaii State AFL-CIO; IATSE Local 665; Democratic Party of Hawai'i Labor Caucus; Elcco Inc.; Chamber of Sustainable Commerce; Greentech Renewables-West Oahu; Alternate Energy Hawaii; Alternate Energy Inc.; Hawaii Solar Energy Association; Hawai'i Renewable Fuels Coalition; Hualua Farm LLC; Par Hawaii; Matson Navigation Company, Inc.; Life of the Land; Motion Picture Association; Hawai'i Alliance of Nonprofit Organizations; Sunrun; Poho Pacific; Airlines for America; Good Current; 350Hawaii.org; Green Power Projects LLC; Revolusun; Alaska Airlines; Hawaiian Airlines; Grand Solar Inc.; Council for Native Hawaiian Advancement; Solar Services Hawaii LLP; Sunnova Energy



International Inc.; Holu Hou Energy; Island Film Group; Greenpeace Hawaii; Arion Energy, LLC; Hawaii Credit Union League; Kula Maui Hawaii; PV Tech; LegaSea Energy; HNU Energy; Kauai Climate Action Coalition; JNL Renewable Energy; Hawai'i Gas; Pacific Biodiesel Technologies; Sol-Ark; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; Department of Agriculture; Hawaii State Energy Office; Hawai'i Green Infrastructure Authority; Office of Climate Change Sustainability and Resiliency of the City and County of Honolulu; Hawai'i Harbors Users Group; Tax Foundation of Hawaii; Hawaii Crop Improvement Association; Climate Protectors Hawai'i; Hawaii Appleseed Center for Law & Economic Justice; Hawaii Food Industry Association; Simonpietri Enterprises LLC; and three individuals.

Your Committee finds that certain tax credits, deductions, and exemptions under the income, general excise, and use tax laws contribute to revenue losses and administrative complexities and therefore should be examined periodically for their efficacy. This measure repeals specific tax benefits to simplify the tax system and enhance revenue sustainability.

Your Committee has amended this measure by:

- (1) Removing the provisions that repealed the Renewable Energy Technologies Tax Credit and the Motion Picture, Digital Media, and Film Production Income Tax Credit;
- (2) Clarifying that the measure shall not impact certain leases, agreements, qualifications, and certifications entered into or determined before December 31, 2025;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1369, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1369, H.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Finance,

A handwritten signature in black ink, appearing to read 'K. T. Yamashita', written in a cursive style.

KYLE T. YAMASHITA, Chair



HSCR 1003

Bill/Resolution No.: HB 1369	Committee Referral: FIN	Date: 2/19/25
<input checked="" type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to:		
<input type="checkbox"/>	Pass, unamended (as is)	<input checked="" type="checkbox"/>
<input type="checkbox"/>	Pass short form bill with HD to recommit for future public hearing (recommit)	<input type="checkbox"/>
<input type="checkbox"/>	Pass, with amendments (HD)	<input type="checkbox"/>
<input type="checkbox"/>	Hold	<input type="checkbox"/>

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	/			
2. TAKENOUCHI, Jenna (VC)	/			
3. GRANDINETTI, Tina Nakada				/
4. HOLT, Daniel	/			
5. HUSSEY, Ikaika	/			
6. KEOHOKAPU-LEE LOY, Sue L.				/
7. KITAGAWA, Lisa	/			
8. KUSCH, Matthias	/			
9. LAMOSAO, Rachele F.	/			
10. LEE, Mike	/			
11. MIYAKE, Tyson K.	/			
12. MORIKAWA, Dee	/			
13. TEMPLO, Shirley Ann	/			
14. ALCOS III, David				/
15. REYES ODA, Julie		/		
16. WARD, Gene				/
TOTAL (16)	11	1		4

The recommendation is: ☒ Adopted ☐ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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