

STAND. COM. REP. NO.

912

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 1462
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 Ways and Means, to which was referred S.B. No. 1462 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to promote the preservation of historic buildings and residences in the State.

More specifically, this measure:

- (1) Reenacts the Historic Preservation Income Tax Credit for taxable years beginning after December 31, 2024;
- (2) Establishes an annual cap amount of \$1,000,000 on the tax credit; and
- (3) Repeals the tax credit on December 31, 2030.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources and Historic Hawaii Foundation.

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



Your Committee finds that the Historic Preservation Income Tax Credit, which was established under Act 267, Session Laws of Hawaii 2019, provided property owners in the State with economic support and incentive to continue to rehabilitate, adaptively reuse, and preserve historic buildings and residences. Your Committee also finds that the tax credit helped preserve the historic character of neighborhoods and communities, and was used by older and lower-income homeowners to facilitate rehabilitation that would otherwise likely not have been undertaken due to exorbitant construction costs. Your Committee further finds that the tax credit was repealed on December 31, 2024.

Your Committee has amended this measure by:

- (1) Correcting a citation to the Internal Revenue Code;
- (2) Deleting language requiring the Department of Taxation to prescribe the manner in which information is submitted to the State Historic Preservation Division of the Department of Land and Natural Resources;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1462, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1462, S.D. 1.

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


DONOVAN M. DELA CRUZ, Chair



