

Honolulu, Hawaii

**FEB 14 2025**

RE: S.B. No. 970

S.D. 1

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

Sir:

Your Committees on Transportation and Culture and the Arts and Energy and Intergovernmental Affairs, to which was referred S.B. No. 970 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize a tax credit for businesses that pay the public transportation costs of employees for:
  - (A) Counties having populations of 700,000 or more; and
  - (B) Taxable years beginning after December 31, 2024, but not beginning after December 31, 2029; and
- (2) Require reports to the Legislature.

Your Committees received testimony in support of this measure from the Retail Merchants of Hawaii and two individuals.

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

Your Committees find that by incentivizing businesses to subsidize public transportation costs, this measure will encourage



the use of public transportation, therefore reducing traffic congestion, greenhouse gas emissions, and costs of commuting.

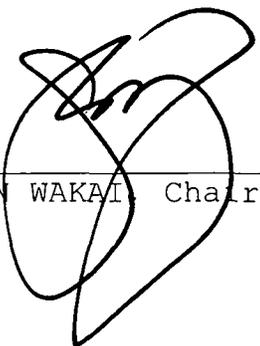
Your Committees note the comments of the Department of Taxation regarding the percent of expenditures and the potentiality for waste. Your Committees find that this issue raises concerns that merit further consideration and respectfully requests that subsequent Committees to which this measure is referred examine the issues and concerns raised by the testimony.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to ensure that eligible employers for the tax credit includes those who purchase fares or passes for employees for bicycle sharing;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Culture and the Arts and Energy and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 970, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 970, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Transportation  
and Culture and the Arts and  
Energy and Intergovernmental  
Affairs,

  
\_\_\_\_\_  
GLENN WAKAI, Chair

  
\_\_\_\_\_  
CHRIS LEE, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Transportation and Culture and the Arts**  
**TCA**

Bill./ Resolution No.:*	Committee Referral:	Date:		
SB 970	TCA/EIG, WAM	2/11/25		
<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
LEE, Chris (C)	✓			✓
INOUYE, Lorraine R. (VC)				✓
ELEFANTE, Brandon J.C.	✓			
KANUHA, Dru Mamo	✓			
DECORTE, Samantha	✓			
<b>TOTAL</b>	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-size: 2em; font-family: cursive;">DKW</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

