

STAND. COM. REP. NO. 2258

Honolulu, Hawaii

FEB 12 2024

RE: S.B. No. 2300  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 2300 entitled:

"A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the Historic Preservation Income Tax Credit through 2030 and incrementally increase the ceiling on total credits from \$1,500,000 to \$4,000,000 during this period.

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 the Attorney General, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that the Historic Preservation Income Tax Credit sunsets in 2025, which will diminish the ability of property owners, especially those from lower income tax brackets, to rehabilitate and remain in historic single-family residences. This will come as a great economic loss for those homeowners who wish to assist with the rehabilitation and continued use of historic buildings in the State which are central to the preservation of Hawaiian history and culture. This measure will



preserve historic properties and buildings in the State and provide homeowners with financial flexibility.

Your Committee has amended this measure by:

- (1) Clarifying that the present Historic Preservation Income Tax Credit is to be replaced on December 31, 2024;
- (2) Repealing language that provides that the cost upon which the Historic Preservation Income Tax Credit is computed shall be determined at the entity level and the distribution and share of the tax credit shall be determined pursuant to section 704(b) of the Internal Revenue Code;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2300, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
LORRAINE R. INOUE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

Record of Votes  
 Committee on Water and Land  
 WTL

Bill / Resolution No.:* <b>SB 2300</b>	Committee Referral: <b>WTL, WAM</b>	Date: <b>02/07/2024</b>		
<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
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<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