

STAND. COM. REP. NO. 3072

Honolulu, Hawaii

MAR 01 2024

RE: S.B. No. 2527
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 Ways and Means, to which was referred S.B. No. 2527, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to promote development of the high technology industry in the State.

More specifically, this measure:

- (1) Temporarily reinstates the Technology Infrastructure Renovation Tax Credit;
- (2) Amends the definition of "renovation costs" to include the repair, replacement, monitoring, and testing of technology-enabled infrastructure machinery; and
- (3) Expands the definition of "technology-enabled infrastructure" to include data servers.

Your Committee received written comments in support of this measure from Charter Communications, Hawaiian Electric, Hawaiian Telcom, and Servpac.



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

Your Committee finds that upgrading and modernizing equipment necessary for data storage will improve resilience against physical damage caused by weather-related events and cybersecurity threats, and will ensure the continued, uninterrupted provision of services to Hawaii businesses, state government, satellite agencies, and residents. Your Committee believes that this measure will promote the development of the high technology industry in the State and yield greater investment from within and outside of the State.

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. 2527, S.D. 1, and recommends that it pass Third Reading.

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



DONOVAN M. DELA CRUZ, Chair



