STAND. COM. REP. NO. (213 -24

Honolulu, Hawaii

MAR 20 ' 2024

RE: S.B. No. 2527

S.D. 1 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Higher Education & Technology, 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 of this measure is to promote the development of the high technology industry in the State by:

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

Your Committee received testimony in support of this measure from Hawaiian Electric; Servpac; and Charter Communications. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and Chamber of Commerce Hawaii.

Your Committee finds that this measure strengthens the resiliency, development, and expansion of Hawaii's high-technology sector.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the Department of Taxation indicated that the expected revenue losses for fiscal year 2025-2026 and 2026-2027 are estimated to be \$400,000 and \$500,000, respectively.

As affirmed by the record of votes of the members of your Committee on Higher Education & Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2527, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2527, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Higher Education & Technology,

AMY A. PERFUSO, Chair

State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 1213-24

Record of Votes of the Committee on Higher Education & Technology

Bill/Resolution No.: Committee		Date	: - 1 - 1	
SB 2527 SD1	HET, FIN		3/15/2	1
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold				
Pass short form bill with HD to recommit for future public hearing (recommit)				
HET Members	Ayes	Ayes (WR)	Nays	Excused
1. PERRUSO, Amy A. (C)				
2. KAPELA, Jeanne (VC)				
3. LA CHICA, Trish				# 2 - S - unifolity in
。 it 字			\$1,31	
4. MARTEN, Lisa	restationers	William Company	at photographs	
5 MARGUNEZ D	Car Line Shift			
5. MARTINEZ, Rose				
6. MATAYOSHI, Scot Z.		3 - 3 45 14 5 145 145	1,0,0,1450,1 (1514)	
				4.
7. MIZUNO, May Besario				36 14 15 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
8. QUINLAN, Sean				
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9. TODD, Chris		·		
10. WOODSON, Justin H.				
11. GARCIA, Diamond				
TOTAL (11)	7			4
The recommendation is: Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Quplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				
Distribution. Original (writte) - Communic Dupiteate (Tellow) - Chief Clerk's Office Dupiteate (Pink) - HMSO				