

STAND. COM. REP. NO.

76

Honolulu, Hawaii

FEB 04, 2025

RE: H.B. No. 577
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Transportation, to which was referred H.B. No. 577 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a five-year tax credit for businesses in a county having a population of seven hundred thousand or more that pay for the public transportation costs of their employees.

Your Committee received testimony in support of this measure from Retail Merchants of Hawaii and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure would help businesses subsidize certain transportation costs of their employees and encourage the use of public transportation.

Your Committee has amended this measure by:

- (1) Deleting language that would have limited the tax credit to an employer having a place of business in, and public transportation operated in, a county with a population of seven hundred thousand or more;

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- (2) Specifying that no tax credit carried forward shall be used as a credit for a taxable year beginning after December 31, 2030;
- (3) Specifying that no other tax credit or deduction for the same expenses shall be claimed under the state income tax law;
- (4) Deleting language that would have required the Director of Taxation to include in their report to the Legislature the impact of the tax credit and whether this tax credit should be continued;
- (5) Specifying that this measure, upon its approval, applies to taxable years beginning after December 31, 2025;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 577, H.D. 1, and be referred to your Committee on Economic Development & Technology.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



DARIUS KILA, Chair



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Record of Votes of the Committee on Transportation

Bill/Resolution No.: <i>HB 577</i>	Committee Referral: <i>TRN, ECD, FIN</i>	Date: <i>1/28/2025</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. KILA, Darius K. (C)	✓			
2. GRANDINETTI, Tina Nakada (VC)	✓			
3. COCHRAN, Elle				✓
4. EVSLIN, Luke A.	✓			
5. KITAGAWA, Lisa	✓			
6. LA CHICA, Trish	✓			
7. MIYAKE, Tyson K.	✓			
8. MURAOKA, Christopher L.	✓			
9. PIERICK, Elijah	✓			
TOTAL (9)	<i>8</i>			<i>1</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>[Signature]</i>				
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