

Honolulu, Hawaii

FEB 05 2025

RE: S.B. No. 138
S.D. 1

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

Sir:

Your Committee on Public Safety and Military Affairs, to which was referred S.B. No. 138 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a nonrefundable income tax credit for installation expenses of hurricane-resistant safe rooms.

Your Committee received comments on this measure from the Department of Taxation, Hawai'i Emergency Management Agency, and Tax Foundation of Hawaii.

Your Committee finds that hurricanes and similar natural disasters pose a significant threat to the safety of residents of the State. The Federal Emergency Management Agency has published guidance for building or installing safe rooms in homes as a means to protect people from these natural disasters, but the total costs of creating these safe rooms may be prohibitively expensive for Hawaii residents. Your Committee further finds that easing residents' abilities to construct hurricane-resistant "safe rooms" is a potential way to increase the community's safety. This measure will therefore assist residents in affording the process of constructing safe rooms in their homes by establishing a nonrefundable income tax credit for taxpayers that incur costs



related to the design, materials, installation, and construction of hurricane-resistant safe rooms.

Your Committee has amended this measure by:

- (1) Specifying that no other tax credit or deduction shall be claimed State income tax law for qualified expenses for the taxable year; and
- (2) Inserting an effective date of July 1, 2077, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 138, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety and
Military Affairs,



BRANDON J.C. ELEFANTE, Chair



