Honolulu, Hawaii

FEB 0 5 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,



The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Public Safety and Military Affairs PSM

Bill / Resolution No.:*	Committee Referral:		D	Date:	
SB 138	PSM, WAM		1	1-24-25	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye/	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)		V ,			
WAKAI, Glenn (VC)		V /			
FUKUNAGA, Carol		V /			
RHOADS, Karl		V			
DECORTE, Samantha				V	
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TOTAL	/	4			0
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes