

STAND. COM. REP. NO.

1444

Honolulu, Hawaii

**MAR 21**, 2025

RE: S.B. No. 338  
S.D. 2  
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 Economic Development & Technology, to which  
was referred S.B. No. 338, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to temporarily reinstate the  
technology infrastructure renovation tax credit and expand the  
definition of "technology-enabled infrastructure" to include data  
servers.

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

Your Committee finds that modernizing technology  
infrastructure, particularly data servers, is crucial to ensuring  
resilience against cyber threats and weather-related disruptions.  
Recent outages affecting state agencies and Hawaii businesses  
highlight the need for investment in reliable data storage and  
management systems. This measure encourages upgrades to  
technology infrastructure that will enhance data security and  
operational stability.

2025-2795 SB338 HD1 HSCR HMSO

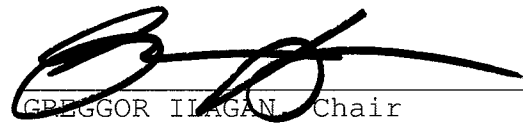


Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) 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 Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 338, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 338, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Technology,

  
GREGGOR ILAGAN, Chair



HSCR 1444

Bill/Resolution No.: SB 338 SD2		Committee Referral: ECD, FIN		Date: 3/19/20
<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)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. ILAGAN, Greggor (C)	/			
2. HUSSEY, Ikaika (VC)	/			
3. HOLT, Daniel	/			
4. TAM, Adrian K.	/			
5. TEMPLO, Shirley Ann	/			
6. TODD, Chris	/			
7. MATSUMOTO, Lauren	/			
TOTAL (7)	7	-	-	-
The recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				