

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 338
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 338, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to promote the modernization of technological infrastructure in the State.

More specifically, this measure:

- (1) Temporarily reinstates the Technology Infrastructure Renovation Tax Credit; and
- (2) Expands the definition of "technology-enabled infrastructure" to include data servers.

Your Committee received written comments in support of this measure from Hawaiian Telcom and Servpac.

Your Committee received written comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Charter Communications.

Your Committee finds that upgrading and modernizing equipment necessary for data storage will improve resilience against physical damage caused by weather-related events and cybersecurity



threats and ensure the continued, uninterrupted provision of services to Hawaii businesses, state government and satellite agencies, and residents.

Your Committee has amended this measure by clarifying that the prohibition against taxpayers who claim the Technology Infrastructure Renovation Tax Credit from claiming any other income tax credit shall apply to taxable years beginning before January 1, 2026.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 338, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 338, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB338 SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">LBT, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-26-2025</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-top: 10px;"> </div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes