

STAND. COM. REP. NO.

1900

Honolulu, Hawaii

APR 03

, 2025

RE: S.B. No. 125  
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 Finance, to which was referred S.B. No. 125, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Make the following business activities eligible for State Enterprise Zone Program incentives: retail sales of tangible personal property manufactured and sold in the enterprise zone to the final consumer, the processing of value-added agricultural products grown within an enterprise zone, the provision of professional services by health care professionals in health-care-related sectors, the use of advanced manufacturing to produce products, and the development of cybersecurity technology;
- (2) Extend the eligibility period of the State Business Tax Credit and General Excise Tax exemption for qualified businesses; and
- (3) Extend the eligibility period of the General Excise Tax exemption for qualified businesses engaged in the



manufacturing of tangible personal property or the producing or processing of agricultural products.

Your Committee received testimony in support of this measure from the Hawaii Military Affairs Council; Young Democrats of Hawai'i; Hawaii Food Industry Association; Holomua Collaborative; Mana Up; Hawai'i Community Foundation; Tori Richard, Ltd; Title Guaranty of Hawai'i; HPM Building Supply; Hawai'i Forest Industry Association; Hawai'i Farm Bureau; Chamber of Commerce Hawaii; Grassroot Institute of Hawaii; Hawai'i Farmers Union; Maui Chamber of Commerce; and two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Agribusiness Development Corporation; and Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 125, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



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KYLE T. YAMASHITA, Chair



