STAND. COM. REP. NO. 577

Honolulu, Hawaii

Fe 516, 2007

RE: H.B. No. 1002 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 1002 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX,"

begs leave to report as follows:

The purpose of this bill is to reduce speculation and increase affordable housing by establishing an anti-speculation capital gains tax, to be deposited into the Rental Housing Trust Fund.

A concerned individual testified in support of this bill. The Hawaii Association of REALTORS opposed this measure. The Department of Taxation (DOTAX) provided comments.

Your Committee has amended this bill by:

- (1) Requiring the realized funds to be deposited into an escrow account to be transferred to DOTAX;
- (2) Exempting from the tax certain properties that were sold under extenuating circumstances or that were involuntarily converted, properties that qualify for a county homeowners exemption, and properties sold by certain military personnel;
- (3) Applying this measure to sales or exchanges of property occurring on or after January 1, 2008; and

HB1002 HD1 HSCR HSH HMS 2007-2200

(4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1002, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Human Services & Housing,

MAILE SHIMABUKURO, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Human Services & Housing

Bill/Resolution No.: JB 1002	Date: 2 /8/07			
Committee Referral: HSH, FIN	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments			
☐ Hold	Pass, with amendments, for recommittal for further consideration			
HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. SHIMABUKURO, Maile S. L. (C)	X			
2. RHOADS, Karl (VC)	X			
3. BELATTI, Della Au		Š. Ar	37 · 人。	X
4. BERTRAM, Joe, III				X
5. CABANILLA, Rida T.R.			長	X
6. GREEN, Josh, M.D.	ħ		X	
7. MIZUNO, John	X			
8. TAKAI, K. Mark				X
9. TOKIOKA, James Kunane	X			
10. AWANA, Karen Leinani	-	X		
11. WARD, Gene, Ph.D.		人	A\$ 1.5 (a.g.)	
TOTAL	4	2	1	4
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s) Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				