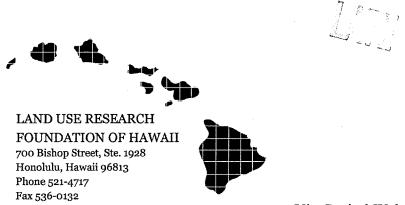
SB 1118



February 27, 2009

Via Capitol Website

Senate Committee on Ways and Means Hearing Date: Friday, February 27, 2009, at 9:00 a.m. in CR 211

Testimony in <u>Support</u> of SB 1118, SD1 Relating to Low Income Housing (Shortens period to exercise tax credits from 10 years to 5 years)

Honorable Chair Donna Mercado Kim, Vice-Chair Shan Tsutsui and Ways and Means Committee Members:

My name is Dave Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF supports SB 1118, **SD1**, which shortens the period over which low-income housing tax credits can be taken from ten years to five years.

SB 1118, **SD1**. The Senate Committee on Education and Housing has amended this measure by deleting its contents and replacing it with the language in SB 861. As amended this measure shortens the period over which the state low-income housing tax credit can be taken from ten years to five years, thus allowing taxpayers to claim larger tax credit amounts over a shorter period of time.

<u>LURF's Position</u>. LURF **supports SB 1118**, **SD1**, because amending the period over which state low income housing tax credits are taken from ten years to five years would increase the present value of the credits when sold to investors, allow taxpayers to claim larger tax credit amounts over a shorter period of time, and provide a more attractive financing incentive to potential developers of affordable rental housing.

Based on the above, we respectfully request your **favorable consideration of SB 1118**, **SD1**.

Thank you for the opportunity to express our support for SB 1118, SD1.

Department of Taxation

Position Summary

Senate Committee on Ways & Means/February 27, 2009 Agenda

SB 37 SD 1 INTRA-COUNTY Opposed to No technical comments. \$67,500 for FY 2010 and after. There are two ferry companies that	D.U.A.I.	Bill Title "Relating			
the routes and the fuel use and price reported in an article appearing in the Maui News on May 28, 2008 'PUC For Relief Sought by Molokai, Lanai Fere Businesses'. An estimate of 421,64 gallons of fuel would be used per year a price of \$4.00 per gallon before to	Bill Number SB 37 SD 1	1	1 ''	No technical comments.	between the relevant harbors for each of the routes and the fuel use and price as reported in an article appearing in the Maui News on May 28, 2008 'PUC Rate Relief Sought by Molokai, Lanai Ferry Businesses'. An estimate of 421,646 gallons of fuel would be used per year at a price of \$4.00 per gallon before taxes. The GET exemption would cost the General Fund \$67,500 annually

	SB 436 SD 1	LIFE SCIENCES	Opposed to	No technical comments.	Indeterminate		Due to no hard data on the number of
			revenue loss				qualified clinical trials and the amount of
							qualified clinical trial costs, revenue
							impact is indeterminate. However, if the
							qualified clinical trial cost were \$100
							million, then annual revenue loss would
							be \$15 million annually. According to
					·		industry, close to 300 clinical trials are
							currently underway in Hawaii.
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X	SB 1118 SD 1	LOW-INCOME	Support	No technical comments.	*FY 2011 \$	1,275,000	Assuming annual federal grant is \$2.55
7		HOUSING			*FY 2012 \$	2,550,000	million.
					*FY 2013 \$	3,187,500	
					*FY 2014 \$	3,442,500	·
					*FY 2015 \$	3,697,500	