

LATE

# TAX FOUNDATION OF HAWAII

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SUBJECT: GENERAL EXCISE, Rental housing project qualifications for tax exemption

BILL NUMBER: HB 906, HD-1

INTRODUCED BY: House Committee on Housing

EXECUTIVE SUMMARY: Requires a rental housing project with a general excise tax exemption to enter into a regulatory agreement with the Hawaii housing finance and development corporation (HHFDC) to qualify for the tax exemption. Establishes terms for the agreements for each type of project.

BRIEF SUMMARY: Amends HRS section 210H-36 to require a rental housing project with a general excise tax exemption to enter into a regulatory agreement with the HHFDC as a qualification for the tax exemption as follows: (1) for moderate rehabilitation projects, a minimum term of five years; (2) for substantial rehabilitation projects, a minimum term of ten years; and (3) for new construction projects, a minimum term of thirty years from the date of the certificate of occupancy.

EFFECTIVE DATE: July 1, 2050

STAFF COMMENTS: This is an administration measure submitted by the department of business, economic development and tourism (BED-09 (15)). This measure would add more qualifications for each rental housing project to ensure such projects are in compliance in order to continue to receive a general excise tax exemption under HRS section 237-29.

Digested 3/2/15