STAND. COM. REP. NO. 723

Honolulu, Hawaii

February 14 , 2017

RE: H.B. No. 1216 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1216 entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSING INVESTMENT TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to establish a temporary tax credit for investments made in qualified low-income housing projects or qualified low-income buildings.

The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Allowing any portion of the ownership interest or credit to be decoupled and assigned;
- (2) Requiring qualified project depreciation to be calculated under section 168(e)(3)(B) of the Internal Revenue Code;
- (3) Changing the effective date to take effect upon a date to be determined to facilitate further discussion on this measure; and

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

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1216, H.D. 1, and be referred to your Committee on Finance.

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

TOM BROWER, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Housing

Bill/Resolution No.: Committee Referral: HSG, FIN Date: 2/7/17		
HB 1216 HSG, FIN all 17/17 The committee is reconsidering its previous decision on the measure.		
The recommendation is to: θ Pass, unamended (as is) Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)		
HSG Members Ayes (WR) Nays	Excused	
1. BROWER, Tom (C)	,	
2. NAKAMURA, Nadine K. (VC)		
3. AQUINO, Henry J.C.		
4. HASHEM, Mark J.		
5 OUINI AN Soon		
5. QUINLAN, Sean		
6. SAN BUENAVENTURA, Joy A.		
7. McDERMOTT, Bob		
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TOTAL (7) 6 \		
The recommendation is: Adopted O Not Adopted If joint referral, did not support recommendation. committee acronym(s)		
Vice Chair's or designee's signature: Mulling K. Nukun		
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO		