Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 652 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. 652 entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit for taxpayers who rent housing to families or individuals:

- (1) Whose income from all sources is less than 100 percent of the area median income as determined by the United States Department of Housing and Urban Development; and
- (2) Who have filed state income tax returns for the past ten consecutive taxable years.

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

Your Committee has amended this measure by:

- (1) Extending the income tax credit to taxpayers who rent housing to eligible organizations that serve homeless or low-income families or individuals;
- (2) Changing the application of the income tax credit to apply to taxable years beginning after December 31, 2017;

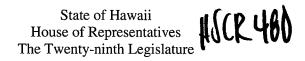
HB652 HD1 HSCR HSG HMS 2017-2252

- (3) Changing its effective date to take effect upon a date to be determined to enable continued discussion; 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. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 652, 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



Record of Votes of the Committee on Housing

Bill/Resolution No.:	Committee Referral: HSG, FIN Date: 2/14/17			
HB 652	HSG, FIN		2/14/1/	
θ 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	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	V			
2. NAKAMURA, Nadine K. (VC)				
3. AQUINO, Henry J.C.	V		Ziminimimimim sa ada	· maintaine de la company
4. HASHEM, Mark J.				30.200 and 30.000 And 10.000 M
5. QUINLAN, Sean	V		7	
6. SAN BUENAVENTURA, Joy A.				
7. McDERMOTT, Bob				/
TOTAL (7)	6			
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) – Chief Clerk's Office Duplicate (Pink) – HMSO				