Honolulu, Hawaii

Rebruary IL, 20

RE: H.B. No. 2332 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2332 entitled:

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

begs leave to report as follows:

The purpose of this measure to specify that certain sections of the Internal Revenue Code relating to the installment method, deductions limited to amount at risk, and passive activity losses and credits do not apply to investments made in buildings and projects claiming the low-income housing tax credit, and income, loss, and deductions will be made in proportion to the low-income housing tax credit.

The Office of the Governor, Department of Business, Economic Development and Tourism, Hawaii Housing Finance and Development Corporation, Department of Housing and Human Concerns of the County of Maui, InState Partners, and Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii supported this measure. The Department of Taxation offered comments for this measure.

Your Committee finds that increasing the amount of equity generated by the State Low-Income Housing Tax Credit may assist in reducing the shortage in affordable housing in Hawaii.

Your Committee has amended this measure by:

- (1) Including a new paragraph to ensure conformity to the Internal Revenue Code;
- (2) Changing the effective date to January 1, 2050, to promote further discussion; and
- (3) Making technical, non-substantive 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. 2332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2332, 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

HSCR 588-18

Record of Votes of the Committee on Housing

Bill/Resolution No.: Committee HB 2332 HS	e Referral: Date: 2/6/18			
☐ The committee is reconsidering its previous decision on the measure. The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
1. BROWER, Tom (C)	/			
2. NAKAMURA, Nadine K. (VC)	√			
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3. AQUINO, Henry J.C.	√			
4. HASHEM, Mark J.	<u> </u>		utas tra us ett en et	
5 OVIVNI AN G				
5. QUINLAN, Sean			agente i i i i i i i i i i i i i i i i i i i	
6. SAN BUENAVENTURA, Joy A.	<u> </u>		<u> </u>	
o. SAN DOENAVENTOKA, Joy A.				
7. MCDERMOTT, Bob			And the state of t	
7. 11022211011,202				
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TOTAL (7)	7		0	0
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
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