

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 2703
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2703, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to make it easier for the people of the State to obtain housing.

Specifically, this measure:

- (1) Allocates a portion of conveyance tax revenues to the rental assistance revolving fund to subsidize rents for persons who meet certain income requirements;
- (2) Increases the income tax credit for low-income renters to an unspecified amount; and
- (3) Converts the state earned income tax credit into a refundable tax credit and changes the amount of the credit to an unspecified percentage of the federal earned income tax credit.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Americans for Democratic Action Hawaii, Hawaii Appleseed Center for Law and



Economic Justice, Catholic Charities Hawaii, LGBT Caucus of the Democratic Party of Hawaii, League of Women Voters, Hawai'i Alliance for Community-Based Economic Development, IMU Alliance, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and sixteen individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Association of REALTORS.

Your Committee received written comments on this measure from the Hawaii Housing Finance and Development Corporation, Department of Taxation, Community Alliance on Prisons, and Tax Foundation of Hawaii.


Your Committee finds that the tax code provides a mechanism to assist low-income residents secure housing without significantly impacting the State's fiscal status.

Your Committee notes the concerns expressed by the Department of Taxation that refundable tax credits often lead to improper claims and therefore create a potential for fraud, whereas nonrefundable tax credits limit the incentive for fraud because they only benefit taxpayers to the extent of their tax liability.

Your Committee has amended this measure by making a technical nonsubstantive change for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2703, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2703, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 2703 HD1 SD1	Committee Referral: HOU, WAM	Date: 4/4/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
TOTAL	11	0	0	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes