

STAND. COM. REP. NO. 672

Honolulu, Hawaii  
FEB 17, 2023

RE: H.B. No. 886  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred  
H.B. No. 886, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to temporarily eliminate the  
home mortgage interest deduction for second homes under the state  
income tax law.

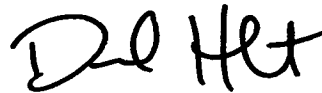
Your Committee received testimony in support of this measure  
from two individuals. Your Committee received testimony in  
opposition to this measure from the Hawai'i Association of  
REALTORS. Your Committee received comments on this measure from  
the Department of Budget and Finance, Department of Taxation, and  
Tax Foundation of Hawaii.

Your Committee finds that the State is currently undergoing a  
housing shortage crisis. Your Committee further finds that the  
temporary elimination of the home mortgage interest deduction for  
second homes will disincentivize the ownership of a second home  
and increase the housing supply in the State.

As affirmed by the record of votes of the members of your  
Committee on Economic Development that is attached to this report,  
your Committee is in accord with the intent and purpose of H.B.

No. 886, H.D. 1, and recommends that it be referred to your  
Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development,



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DANIEL HOLT, Chair



