STAND. COM. REP. NO. 788

Honolulu, Hawaii

FEB 14 , 2023

RE: H.B. No. 543

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 Housing, to which was referred H.B. No. 543 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a refundable income tax credit for taxpayers who purchase and install a whole house water filter system.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that a whole house water filter system is a filtration system that is installed where the main water line enters a home and removes impurities and contaminants from water that is distributed throughout the home. This filtration system can help reduce contaminants such as chlorine, iron, sulfur, and more from drinking water. This measure will help protect public health by providing an incentive for taxpayers to add additional protections for their water supplies.

Your Committee notes the concern of the Department of Taxation regarding the difficulty the Department will have in

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administering the aggregate cap amount for the tax credit and the Department's request to have another state agency be responsible for certifying the credits associated with the cap amount. Your Committee will continue to work with the Department of Taxation to address their concerns as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Making the whole house water filtration system tax credit nonrefundable rather than refundable; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

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. 543, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 543, H.D. 1, and be referred to your Committee on Finance.

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

TROY N. HASHIMOTO, Chair

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State of Hawaii House of Representatives The Thirty-second Legislature

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Record of Votes of the Committee on Housing

Bill/Resolution No.:	Committee Referral:	Dates	0101	22
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The committee is reconsidering its previ	ous 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)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHIMOTO, Troy N. (C)				
2. AIU, Micah P.K. (VC)	V			
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3. KILA, Darius K.	V			
4. KITAGAWA, Lisa				
5. MARTEN, Lisa			en e	
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6. ONISHI, Richard H.K.		/	*, ***	\$
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