

STAND. COM. REP. NO.

388

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

2023-1434 HB543 HD1 HSCR HMSO



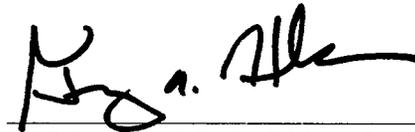
administering the aggregate cap amount for the tax credit and the Department's request to have another state agency be responsible for certifying the credits associated with the cap amount. Your Committee will continue to work with the Department of Taxation to address their concerns as this measure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



