STAND. COM. REP. NO. 672 Honolulu, Hawaii , 2023

FEB 17 ' 20

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.



STAND. COM. REP. NO. 672 Page 2

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,

DANIEL HOLT, Chair



State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 672

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB886, HD1	Committee HSC	Referral: I, ECD, FI	N Date:	2 15	2023
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)					
ECD Members		Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)					
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2. LAMOSAO, Rachele F. (V	C)				
3. HUSSEY-BURDICK, Nata	lia	and the providence of the	tario a teoria di Adamanda	un is analon concerno sublici con est	
4. KONG, Sam Satoru		/	an a sea - Anis Salamana a - manana a manana di manana di salamana di salamana di salamana di salamana di salam	in anna dha ing anna dhe anna dhe anna dhe anna ann An d	
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5. NAKAMURA, Nadine K.				a state	
6. QUINLAN, Sean	adaninaanaan - 13	·	· · · · · · · · · · · · · · ·	annan an a canada na acampana (a ca	
	sa mara na ina ina ina ina ina ina ina ina ina			an ^{ta} na an tana amawana	
7. PIERICK, Elijah					
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TOTAL (7)		5	Ð	Ð	2
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					