

STAND. COM. REP. NO.

1256

Honolulu, Hawaii

MAR 16, 2023

RE: S.B. No. 924
S.D. 2
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 S.B. No. 924, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to 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 and one individual. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii is currently experiencing a housing shortage. By removing the mortgage interest deduction for second homes, this measure creates a disincentive to owning a second home, which could ultimately lead to an increase in the supply of homes available for residents to use as their primary residence.

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Your Committee has amended this measure by changing the effective date to June 30, 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 S.B. No. 924, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 924, S.D. 2, H.D. 1, and be referred to your Committee on Economic Development.

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



TROY N. HASHIMOTO, Chair



