STAND. COM. REP. NO.

Honolulu, Hawaii

, 2023

**FEB 17** 

H.B. No. 886 RE:

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. 612
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.: Com HB886, HD1 H	mittee Referral: SC1, ECD, F1	tee Referral: 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)					
2. LAMOSAO, Rachele F. (VC)					
3. HUSSEY-BURDICK, Natalia					
4. KONG, Sam Satoru					
5. NAKAMURA, Nadine K.					
6. QUINLAN, Sean					
7. PIERICK, Elijah			m. The second second		
TOTAL (7)	5	¥	ð	2	
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)					
Vice Chair's or designee's signature: Amble far h					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					