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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2787, H.D. 1, Relating to the Individual Housing Account Program.

BEFORE THE:

House Committee on Finance

DATE: Monday, February 26, 2024

TIME: 12:30 p.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding H.B. 2787, H.D. 1 for your consideration.

Section 2 of H.B. 2787, H.D. 1 amends section 235-5.5, Hawaii Revised Statutes (HRS), to increase the maximum income tax deduction for contributions to an Individual Housing Account (IHA), by increasing the maximum amount of annually deductible contributions from \$5,000 to \$20,000 for single filers, and from \$10,000 to \$40,000 for joint filers. The aggregate deduction limitation per taxpayer for all taxable years also increases from \$25,000 to \$200,000, not including interest paid or accrued.

Section 3 of H.B. 2787, H.D. 1 directs the Department to promptly create and implement awareness programs and materials to educate the public about the IHA program, its eligibility requirements, and other information or helpful resources. Section 5 of the bill appropriates an unspecified amount for fiscal year 2024 to 2025 for the Department to create and implement the public awareness program.

The measure has a placeholder effective date of July 1, 3000 and applies to taxable years beginning after December 31, 2024.

The Department is able to administer this bill for taxable years beginning after December 31, 2024. Thank you for the opportunity to provide comments on this measure.

HB-2787-HD-1

Submitted on: 2/24/2024 11:48:44 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Vincent r Golio	Individual	Oppose	Written Testimony Only

Comments:

The only "civic engagement" necessary from ILLEGAL ALIENS is a polite "thank you for getting on the plane for ride back to wherever you freaking came from". OPPOSE

HB-2787-HD-1

Submitted on: 2/25/2024 6:35:22 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT