

STAND. COM. REP. NO. 1181

Honolulu, Hawaii

**MAR 20 2025**

RE: H.B. No. 286  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 286, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE INDIVIDUAL HOUSING ACCOUNT PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the maximum annual deduction for contributions to, and maximum account levels for, individual housing accounts.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce and six individuals.

Your Committee received testimony in opposition to 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 housing security and affordability is of paramount importance to the State. Presently, individuals can contribute up to \$5,000 per year to an Individual Housing Account, which enables the individuals to deduct from their account to help save up a down payment to purchase a home. However, as current housing prices have significantly increased



within the last ten years, increasing the cap for contributions will better reflect the reality of the current housing market and better assist prospective homeowners to achieve homeownership.

Your Committee notes the testimony of the Department of Taxation that more individuals use a Roth individual retirement account (IRA) than an individual housing account to save for a future down payment on a home. A Roth IRA is an account funded with after-tax dollars that can be used to purchase a first home, fund education, or save for retirement. Presently, the maximum annual contribution for a Roth IRA is \$7,000. However, the maximum contribution for an individual housing account is currently \$5,000, making Roth IRAs a tax-favored option. Therefore, your Committee respectfully requests subsequent Committees who choose to deliberate on this measure to consider inserting a cap of \$10,000 for single individuals, and \$20,000 for married individuals filing jointly, to make individual housing accounts more beneficial for achieving homeownership.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 286, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 286, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
STANLEY CHANG, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 286 HD2	HOU, WAM	3-13-25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	/			
HASHIMOTO, Troy N. (VC)	/			
AQUINO, Henry J.C.	/			
KANUHA, Dru Mamo	/			
FEVELLA, Kurt				/
<b>TOTAL</b>	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes