

STAND. COM. REP. NO.

135

Honolulu, Hawaii

FEB 04

, 2025

RE: H.B. No. 949
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 949
entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSING TAX
CREDIT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that a partner or member that is a partnership or limited liability company that has been allocated a Low-Income Housing Tax Credit may either further allocate the credit or transfer, sell, or assign all or a portion of the credit to any taxpayer; and
- (2) Extend the sunset date of Act 129, Session Laws of Hawaii 2016, relating to the Low-Income Housing Tax Credit.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Mark Development, Inc.; EAH Housing; Ahe Group LLC; NAIOP Hawaii; Central Pacific Bank; and Kobayashi Group. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

2025-1184 HB949 HD1 HSCR HMSO



Your Committee finds that the expansion of the Low-Income Housing Tax Credit program is vital to addressing the ongoing shortage of affordable housing in the State. Your Committee believes that expanding the pool of investors for state tax credits will enhance the ability of affordable housing developers to raise equity efficiently, thereby leading to faster project funding, less reliance on other financing sources, and enhanced affordability for residents.

Your Committee has amended this measure by:

- (1) Specifying the timeframe for reporting the transfer, sale, or assignment of the credit to the Department of Taxation; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

Your Committee notes the request by the Department of Taxation to have this measure apply to taxable years beginning after December 31, 2025, rather than taxable years beginning after December 31, 2024, to provide sufficient time for the Department to implement the changes proposed by this measure.

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. 949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 949, H.D. 1, and be referred to your Committee on Economic Development & Technology.

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



LUKE A. EVSLIN, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: HB949	Committee Referral: HSG, ECO, FIN	Date: 1/29/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle				✓
4. GRANDINETTI, Tina Nakada	✓			
5. KILA, Darius K.	✓			
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.	✓			
9. PIERICK, Elijah	✓			
TOTAL (9)	8	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ <div style="text-align:center; font-size: large;"><i>Tyson Miyake</i></div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				