

STAND. COM. REP. NO. 1045

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 1033
S.D. 2

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

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 1033, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to address the housing shortage in the State.

More specifically, this measure:

- (1) Establishes an excise tax on certain taxpayers who own excess single-family residences for failing to sell those residences;
- (2) Establishes and allocates excise tax revenues to the Housing Downpayment Trust Fund; and
- (3) Requires annual reports to the Legislature.

Your Committees received written comments in opposition to this measure from the Aloha Freedom Coalition and ten individuals.

Your Committees received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.



Your Committees find that, in recent years, certain entities, including large private equity hedge funds, have purchased large portfolios of foreclosed homes, preventing ordinary families and nonprofit organizations from being able to purchase those homes. Your Committees also find that this trend has continued at an alarming and accelerating rate, contributing to a critical shortage of affordable housing in the State.

Your Committees note that, although the intent of this measure is to reduce corporate ownership of single family residences and provide opportunities for individuals to purchase homes, your Committees have concerns that family corporations or individuals who own multiple properties may become subject to the excise tax established by this measure.

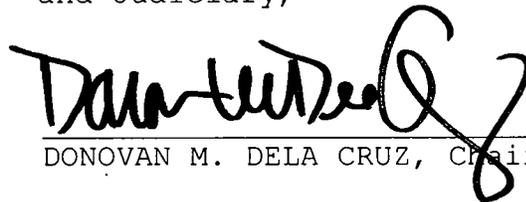
Your Committees have amended this measure by clarifying that the term "applicable taxpayer" does not include an individual.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1033, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1033, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Judiciary,



KARL RHOADS, Chair

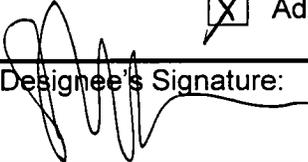


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1033 SD1	Committee Referral: HOU, WAM/JDC	Date: 2-26-2025		
<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
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)		X		
AQUINO, Henry J.C.	X			
DECOITE, Lynn		X		
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado		X		
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt		X		
TOTAL	9	4	0	0
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**

