STAND. COM. REP. NO. 2462

Honolulu, Hawaii

FEB 19 2026

RE: S.B. No. 2676
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2676 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Authorize the Hawaii Housing Finance and Development Corporation to approve and certify general excise tax exemptions for certain housing development projects developed under county housing incentive programs; and

(2) Make conforming amendments.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce; Centre Urban Real Estate Hawaii, LLC; Hawaii Appleseed Center for Law and Economic Justice; AARP Hawaii; and Housing Hawai'i's Future.

Your Committee received comments on this measure from the Department of Taxation and Hawaii Housing Finance and Development Corporation.

Your Committee finds that the general excise tax (GET) is applied to almost all construction contracts, increasing the cost of housing development projects. GET exemptions can provide a

powerful incentive for mixed-income housing project development. This measure authorizes the Hawaii Housing Finance and Development Corporation to provide those GET exemptions for housing projects developed under county housing incentive programs.

Your Committee has amended this measure by:

(1) Making the exemptions to the general excise tax for projects applicable to all general excise tax and use tax costs, including non-contract costs;

(2) Inserting a sunset date of July 1, 2031;

(3) Inserting an effective date of July 1, 2050, to encourage further discussion; and

(4) 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 S.B. No. 2676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2676, 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.

Committee on Housing,

STANLEY CHANG, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

2/10/2026

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2676	HOU, WAM	~~2/5/2026~~

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: [signature]

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26