

STAND. COM. REP. NO. 3719

Honolulu, Hawaii

APR 10 2026

RE: H.B. No. 1920
H.D. 1
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1920, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the low-income housing tax credit.

More specifically, this measure:

- (1) Clarifies that, for tax credits issued after July 1, 2026, 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) Extends the sunset date of Act 129, Session Laws of Hawaii 2016, relating to the low-income housing tax credit, until December 31, 2032.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development



Corporation; AARP Hawaii; Hunt Capital Partners, LLC; Maui Chamber of Commerce; NAIOP Hawaii; and Sugar Creek Capital.


Your Committee received written comments on this measure from the Department of Taxation.

Your Committee finds that the low-income housing tax credit is an important tool in facilitating the development of affordable housing in the State. Your Committee also finds that the amendments made by this measure are intended to improve upon the existing tax credit program by clarifying and expanding the flexibility of credit allocation and transfer, which is necessary to attract additional investment into affordable housing projects. Your Committee further finds that increased competition and flexibility in credit transfers often lead to better pricing, which in turn reduces financing gaps and strengthens the financial feasibility of affordable housing developments.

Your Committee has amended this measure by adding a provision to prohibit the transferee of a low-income housing tax credit from further allocating, transferring, selling, or assigning all or a portion of the credit to any taxpayer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1920, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1920, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


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.:* HB 1920, HD1, SD1	Committee Referral: HOV, WAM	Date: 04/08/2026		
<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			
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			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

***Only one measure per Record of Votes**