

Honolulu, Hawaii
FEB 20, 2026

RE: H.B. No. 916
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committees on Tourism and Economic Development & Technology, to which was referred H.B. No. 916, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Allow tax credits claimed under the State Low-Income Housing Tax Credit to be used to offset taxes imposed by the Transient Accommodations Tax; and
- (2) Make permanent Act 129, Session Laws of Hawaii 2016.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Maui Chamber of Commerce. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

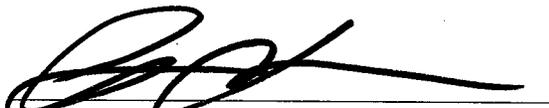
Your Committees find that unlike the federal Low-Income Housing Tax Credit, Hawaii's Low-Income Housing Tax Credit allows any partner or member of the developer to claim any portion of the housing developer's state tax credit, including partners and members who are not eligible for the federal tax credit. Your



Committees find that allowing any member or partner of the developer to claim the state Low-Income Housing Tax Credit greatly expands the pool of potential investors needed to raise the equity necessary to finance low-income housing projects. However, the state Low-Income Housing Tax Credit may only be claimed against income and taxes imposed under Chapter 235, Hawaii Revised Statutes. This measure is intended to further broaden the investor base for low-income housing projects by allowing developers and project partners to attract contributions from entities with Transient Accommodations Tax obligations.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development & Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 916, H.D. 1, and recommend that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Tourism and
Economic Development &
Technology,



GREGGOR ILAGAN, Chair



ADRIAN K. TAM, Chair



Record of Votes of the Committee on Economic Development & Technology

Bill/Resolution No.: HB 916, HDI	Committee Referral: HSG, TOU/ECD, FIN	Date: 2/19/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. ILAGAN, Greggor (C)	/			
2. HUSSEY, Ikaika (VC)				/
3. HOLT, Daniel				
4. TAM, Adrian K.	/			
5. TEMPLO, Shirley Ann	/			
6. YAMASHITA, Kyle T.	/			
7. GEDEON, Joe	/			
TOTAL (7)	5			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				