

Honolulu, Hawaii

**MAR 24** , 2026

RE: S.B. No. 2552  
S.D. 1  
H.D. 1

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

Madame:

Your Committee on Housing, to which was referred S.B. No. 2552, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE INDIVIDUAL HOUSING ACCOUNT PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to, for purposes of income tax deductions related to individual housing accounts:

- (1) Increase the maximum annual and total allowable deduction for contributions to individual housing accounts;
- (2) Increase the maximum allowable contributions for individual housing accounts to qualify for the income tax deductions; and
- (3) Repeal outdated language applicable to first-time home purchases made before January 1, 1990, by persons with an individual housing account.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Mortgage Bankers Association of Hawaii; Hawai'i Association of REALTORS; Chamber of Commerce



Hawaii; Housing Hawai'i's Future; Maui Chamber of Commerce; and Holomua Collaborative. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that as the cost of housing increases, the State must continue to assist residents in finding methods of increasing options for homeownership. Saving for a down payment on a home loan continues to be a barrier for many Hawaii residents, as there are limited numbers of programs available to assist in this endeavor. This measure increases the contribution levels and maximum account levels for individual housing accounts to better reflect current housing prices and further encourage prospective first-time homeowners to save for a down payment and closing costs.

Your Committee has amended this measure by:

- (1) Changing the proposed maximum deduction and contribution amounts to unspecified amounts; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider the following as appropriate amounts for the maximum allowable deduction and contribution amounts:

- (1) For an individual taxpayer in a single taxable year: \$17,200;
- (2) For a married couple filing jointly in a single taxable year: \$34,400; and
- (3) For the allowable amount for all taxable years in the aggregate: \$86,000.

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. 2552, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2552, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



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



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LUKE A. EVSLIN, Chair



