

Honolulu, Hawaii

Feb 14, 2006

RE: H.B. No. 1853
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1853 entitled:

"A BILL FOR AN ACT RELATING TO RENTAL HOUSING,"

begs leave to report as follows:

The purpose of this bill is to provide financial relief to low-income renters who pay more than \$1,000 in rent during a taxable year by adjusting the low-income renters tax credit as follows:

- (1) For taxpayers with an adjusted gross income of \$30,000 or less, increasing the tax credit from \$50 to \$100; and
- (2) For taxpayers with an adjusted gross income greater than \$30,000 and equal to or less than \$50,000, establishing a tax credit of \$75.

The Housing and Community Development Corporation of Hawaii supported the intent of this bill. The Department of Taxation and the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the tax credit applies to taxpayers who paid rent for a primary residence in the state; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 1853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1853, H.D. 1, and be referred to the Committee on Finance.

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


MICHAEL P. KAHIKINA, Chair



