

Honolulu, Hawaii
Feb 17, 2006

RE: H.B. No. 2666
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 Committees on Water, Land, & Ocean Resources and
Housing, to which was referred H.B. No. 2666 entitled:

"A BILL FOR AN ACT RELATING TO CONVEYANCE TAX,"

beg leave to report as follows:

The purpose of this bill is to reduce property taxes for
Hawaii's taxpayers and assist the homeless by:

- (1) Establishing the Homeless Assistance Special Fund
(Fund);
- (2) Increasing the conveyance tax for multiple sales of the
same property within a two-year period; and
- (3) Allocating revenues to the Fund from conveyance taxes on
realty sold multiple times within a two-year period.

The Affordable Housing and Homeless Alliance and several
concerned individuals testified in support of this bill. The
Nature Conservancy of Hawaii supported the intent of this measure.
The Department of Budget and Finance and Hawaii Association of
Realtors opposed this measure. The Housing and Community
Development Corporation of Hawaii, Department of Taxation, and the
Tax Foundation of Hawaii offered comments.



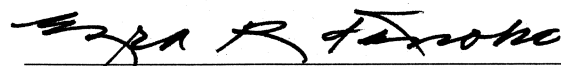
Your Committees have amended this bill by:

- (1) For a sale of property that is not taxed as a multiple sale within a two-year period, specifying that unless agreed otherwise by the buyer and seller, the buyer of real property is responsible for the tax assessed on condominiums or single family dwellings that are sold;
- (2) Exempting individuals eligible for a home exemption and active duty military members from the conveyance tax assessment on multiple sales of property within a two-year period;
- (3) Removing the reference to rulemaking by the Department of Taxation;
- (4) Changing the effective date to January 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2666, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land, &
Ocean Resources and Housing,


MICHAEL P. KAHIKINA, Chair


EZRA R. KANOHO, Chair



