

STAND. COM. REP. NO.

1063

Honolulu, Hawaii

MAR 16 2007

RE: H.B. No. 1096  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 1096, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE MORTGAGE CREDIT CERTIFICATES,"

begs leave to report as follows:

The purpose of this measure is to assist low- and moderate-income taxpayers with purchasing a principal residence in sustainable affordable housing developments by providing qualified buyers with an income tax credit in an amount up to twenty per cent of the buyer's annual mortgage interest payment.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors and UniDev Hawaii, L.L.C. The Department of Taxation submitted testimony in opposition to this measure. The Tax Foundation of Hawaii submitted comments.

The Department of Taxation submitted testimony that the implementation of this measure would result in a revenue loss of approximately \$800,000. The Department of Taxation did not provide the method used to calculate the fiscal impact of this measure.

Your Committee recognizes that the State is undergoing a housing crisis and finds that the intent of this measure is to provide home ownership opportunities for low- and moderate-income

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taxpayers by establishing an income tax credit to lessen the financial burden of a mortgage.

Your Committee notes that UniDev Hawaii, L.L.C. has provided proposed amendments to this measure and on passing this measure out, your Committee asks that the Committee on Economic Development and Taxation consider the amendments proposed by UniDev Hawaii, L.L.C.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1096, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.


Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Affordable  
Housing,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce, Consumer Protection and Affordable Housing**  
**CPH**

Bill / Resolution No.:* <b>HB 1096 HDI</b>	Committee Referral: <b>CPH, EDT, WAM</b>	Date: <b>3/14/07</b>		
<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
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	<b>3</b>	<b>1</b>		<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"></div>				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes