

STAND. COM. REP. NO. 577-08

Honolulu, Hawaii

Feb 15, 2008

RE: H.B. No. 2666  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 2666 entitled:

"A BILL FOR AN ACT RELATING TO AN AFFORDABLE RENTAL HOUSING DONATION TAX CREDIT,"

begs leave to report as follows:

The purpose of this bill is to support the development of affordable rental housing by establishing a transferable affordable rental housing donation tax credit for certain taxpayers who make donations to the Rental Housing Trust Fund or for the development of affordable rental housing projects.

EAH Housing testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests the Committee on Finance to examine issues raised by DOTAX and the Tax Foundation of Hawaii in their written testimony.

Your Committee has amended this bill by:

- (1) Limiting the measure to rental housing affordable to households at or below 80 percent of the area median income;

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- (2) Expanding the definition of "affordable rental housing project" to include projects subject to a federal regulatory agreement;
- (3) Expanding the development of an affordable rental housing project to include the acquisition or rehabilitation of existing affordable rental housing projects;
- (4) Extending the lapse period to the end of the eighth taxable year, instead of the end of the fifth taxable year; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2666, as amended herein, and recommends 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  
Committee on Human Services &  
Housing,



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MAILE SHIMABUKURO, Chair



