

STAND. COM. REP. NO.

2056

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 2981  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 2981 entitled:

"A BILL FOR AN ACT RELATING TO LOW-INCOME HOUSING TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to reduce the period over which state low-income housing tax credits are taken from ten years to five years.

Testimony in support of this measure was received from the Governor's Office, Department of Taxation, Hawaii Housing Finance and Development Corporation, Hawaii Island Community Development Corporation, Catholic Charities Hawai'i, Pacific Housing Assistance Corporation, and Hawaii Association of REALTORS.

Your Committee finds that affordable housing is a critical issue in Hawaii, and sufficient incentives must be available in order to leverage public-private partnerships to construct additional housing. This measure provides one such incentive, making the low-income housing tax credit more attractive to investors who may be considering affordable housing projects in Hawaii.

Your Committee has amended this measure to:

- (1) Clarify an internal reference in section 235-110.8, Hawaii Revised Statutes;

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- (2) Add language that, for the purposes of subsection (h), the state housing credit shall be one hundred per cent of the applicable percentage of the qualified basis of each building located in Hawaii; provided that the applicable percentage shall be calculated as provided in section 42(b) of the Internal Revenue Code; and
- (3) Make technical amendments to conform to the preferred drafting style.

*As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2981, 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 Human Services and  
Public Housing,

*Suzanne Chun Oakland*

SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Human Services and Public Housing**  
**HSP**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2981	HSP, EDT, WAM	2/2/08		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
<b>TOTAL</b>	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Chan Jr.</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes