
HOUSE CONCURRENT RESOLUTION

URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO
ADOPT POLICIES THAT PROVIDE FULL DISCLOSURE OF TAX
EXEMPTIONS IT CERTIFIES.

1 WHEREAS, the global financial crisis that began in the
2 second half of 2008 has put increasing pressure on states across
3 the country to resolve complex budget deficits; and
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5 WHEREAS, in Hawaii, the state budget deficit has grown to
6 \$1,200,000,000, despite numerous creative efforts to raise
7 revenue and reduce costs; and
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9 WHEREAS, over several decades, more than 50 classes of
10 transactions have been granted an exemption from the state
11 general excise tax, often to provide incentives for desired
12 social and economic behavior or to conform Hawaii tax codes to
13 federal law; and
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15 WHEREAS, each year, the state forgoes approximately
16 \$835,000,000 in potential revenue by exempting various companies
17 and individuals from the general excise tax; and
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19 WHEREAS, although a temporary suspension of general excise
20 tax exemptions may help address the State's budget shortfall,
21 certain tax incentives remain necessary; and
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23 WHEREAS, the construction of affordable housing continues
24 to require the full effort of the Hawaii construction industry
25 while construction itself can act as a spur for economic
26 activity, thereby making the continuance of a tax incentive for
27 these activities appropriate; and
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29 WHEREAS, the State maintains the responsibility, however,
30 to ensure the proper use and reporting of affordable housing tax
31 credits; and



1 WHEREAS, the Hawaii Housing Finance and Development
2 Corporation (HHFDC) is the primary agency involved in approving
3 and certifying claims for affordable housing construction tax
4 incentives; now, therefore,

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6 BE IT RESOLVED by the House of Representatives of the
7 Twenty-fifth Legislature of the State of Hawaii, Regular Session
8 of 2010, the Senate concurring, that HHFDC is urged to adopt
9 policies that provide full disclosure of tax exemptions that it
10 certifies; and

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12 BE IT FURTHER RESOLVED that these policies:

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- 14 (1) Include a review by HHFDC of each claim for an
15 exemption under sections 201H-36, 201H-37, and 237-
16 29(a), Hawaii Revised Statutes (HRS), prior to any
17 initial or renewal certification;
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- 19 (2) Require HHFDC to maintain a record of each person or
20 business that has qualified for a general excise tax
21 exemption under 201H-36, 201H-37, and 237-29(a), HRS,
22 including the:
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 - 24 (A) Name and address of the person or business;
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 - 26 (B) Name and address of the housing project
27 qualifying for the tax exemption;
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 - 29 (C) Criterion used by HHFDC to approve and certify
30 the tax exemption; and
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 - 32 (D) Amount of the tax exemption claimed;

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34 and

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- 36 (3) Require HHFDC to maintain an annual and cumulative
37 record of all tax exemptions claimed;
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39 and

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41 BE IT FURTHER RESOLVED that every record regarding
42 affordable housing tax incentives maintained by HHFDC be
43 considered a public record and made available upon request,
44 either with or without a reasonable reproduction fee; and



H.C.R. NO. 191

1 BE IT FURTHER RESOLVED that HHFDC is urged to submit its
2 annual record, including any additional relevant information, to
3 the Legislature no later than 20 days prior to the convening of
4 each Regular Session, beginning with the 2011 Regular Session;
5 and

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7 BE IT FURTHER RESOLVED that certified copies of this
8 Concurrent Resolution be transmitted to the Governor and the
9 Executive Director of the Hawaii Housing Finance and Development
10 Corporation.
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OFFERED BY:

Frederick C. O'Connell

J. Phil. Kuroki
Numina M. O'Neil

John M. P. [Signature]

MAR 08 2010

