

Honolulu, Hawaii

March 16, 2010

RE: S.B. No. 2575  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2575, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this bill is to help reduce real estate speculation by imposing an anti-speculation capital gains tax on the net capital gains realized by the sale of real property held for 24 months or less, with certain exceptions.

Community Alliance Partners testified in support of this measure. The Department of Taxation, Hawaii Association of REALTORS, and Alexander and Baldwin, Inc., opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the distribution of realized tax revenues from equal amounts to be deposited in the Rental Housing Trust Fund and the general fund to:
  - (A) 75 percent to be deposited into the Rental Housing Trust Fund; and
  - (B) 25 percent to be deposited into the general fund;



and

- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2575, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2575, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,



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RIDA CABANILLA, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 766-11

**Record of Votes of the Committee on Housing**

Bill/Resolution No.: <b>SB 2575, SD2</b>	Committee Referral: <b>HSG, FIN</b>	Date: <b>3-10-10</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. CABANILLA, Rida (C)	X			
2. CHONG, Pono (VC)	X			
3. CHANG, Jerry L.	X			
4. COFFMAN, Denny		X		
5. HAR, Sharon E.				X
6. HERKES, Robert N.		X		
7. ITO, Ken	X			
8. LEE, Chris	X			
9. LUKE, Sylvia				X
10. MORITA, Hermina M.	X			
11. SAGUM, Roland D., III		X		
12. CHING, Corinne W.L.				X
13. THIELEN, Cynthia			X	
<b>TOTAL (13)</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>3</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				