

STAND. COM. REP. NO. 1190

Honolulu, Hawaii
March 24, 2011

RE: S.B. No. 654
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 654, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to provide a boost to the construction industry by establishing a refundable ohana residential housing income tax credit for qualified taxpayers that purchase a qualified principal residence on or after April 1, 2011, and before January 1, 2013.

The Building Industry Association of Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Association of REALTORS testified in support of this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Inserting language establishing a tax credit for residential construction and remodeling projects, with certain restrictions;
- (2) Making the refundable Ohana Residential Housing Income Tax Credit a non-refundable credit;

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- (3) Making the tax credit applicable to taxable years beginning after December 31, 2010, and ending prior to January 1, 2015; and
- (4) 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. 654, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 654, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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


RIDA T.R. CABANILLA, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HCR 1190

Record of Votes of the Committee on Housing

Bill/Resolution No.: SB 654 SD 1	Committee Referral: FIN HSG, FIN	Date: 3-23-11		
<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 T.R. (C)	✓			
2. CHONG, Pono (VC)	✓			
3. CARROLL, Mele				✓
4. CHANG, Jerry L.	✓			
5. COFFMAN, Denny	✓			
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.				✓
8. ITO, Ken	✓			
9. MORITA, Hermina M.				
10. NAKASHIMA, Mark M.	✓			
11. PINE, Kymberly Marcos	✓			
12. THIELEN, Cynthia	✓			
TOTAL (12)	9			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				