
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that according to the
2 Hawaii housing planning study in 2011, there is an estimated
3 need for 13,000 rental units by 2016 for households at or below
4 eighty per cent of the area median income. Additional
5 incentives are needed to expand the supply of affordable rental
6 housing where they are most needed through federal, state, local
7 and private efforts, and partnerships.

8 The Hawaii interagency council on homelessness determined
9 that a modest incentive to develop affordable rental projects
10 would be to expand the scope of the general excise tax exemption
11 for certified housing projects under section 237-29, Hawaii
12 Revised Statutes, to include non-residential revenue related to
13 the operation of the affordable housing project. The exemption
14 currently only allows the exemption of affordable rental income
15 from a project from the general excise tax. The proposed
16 expansion would exclude income streams such as parking fees and
17 laundry income from the general excise tax.



1 The purpose of this Act is to implement the recommendation
2 of the Hawaii interagency council on homelessness to allow
3 eligible housing project-related income to be certified for
4 exemption from the general excise tax.

5 SECTION 2. Section 237-29, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) All gross income received by any qualified person or
8 firm for the planning, design, financing, construction, sale, or
9 lease in the State of a housing project that has been certified
10 or approved under section 201H-36 and all revenues received from
11 laundry, parking, or other project-related fees within a housing
12 project that has been certified or approved under section 201H-
13 36 shall be exempt from general excise taxes."

14 SECTION 3. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on July 1, 2013.

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INTRODUCED BY:

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H.B. NO. 1346

Report Title:

Taxation; Affordable Rental Development Incentives

Description:

Provides an incentive for development of affordable rental projects by exempting revenues received from laundry, parking, or other fees related to the operation of an eligible housing project from the general excise tax.

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