

JAN 28 2015

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 Hawaii faces a
2 historical and growing shortage of housing units and rapidly
3 rising rents, presenting a serious problem for a substantial
4 portion of Hawaii residents who live in residential housing.
5 Moreover, rent increases are exacerbated by speculation in the
6 purchase and sale of existing residential housing units by local
7 and foreign real estate and development investors.

8 The legislature further finds that rent increases escalate
9 rates of homelessness in the State, and Hawaii now leads the
10 country in the number of individuals and families that are
11 unsheltered. Data indicates that approximately 262,000 people
12 in Hawaii, or 25 per cent of the State's population, are at risk
13 for homelessness.

14 The housing shortage and speculative nature of the real
15 estate industry present a clear and imminent threat to the
16 public health and welfare of Hawaii's residents, especially the
17 poor, minorities, students, young families, and senior citizens.



1 Therefore, the purpose of this Act is to alleviate the hardship
2 faced by individuals and families living in residential housing
3 by creating a tax incentive for landlords who provide rental
4 units for persons earning below 80 per cent of the area median
5 income.

6 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§237- Exemption for rental income; affordable rental
10 units. (a) There shall be exempted from, and excluded from the
11 measure of, the taxes imposed by this chapter, all of the gross
12 proceeds received by an owner or lessor from the leasing of real
13 property to persons earning below 80 per cent of the area median
14 income."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act, upon its approval, shall apply to
17 gross income or gross proceeds received after June 30, 2015.

18

INTRODUCED BY: *Spzanno Chun Akela*

Will Zygo
Breene Ham



S.B. NO. 1201

Report Title:

Tax Incentive; Affordable Rental Units

Description:

Establishes a tax incentive for landlords who provide rental units for persons earning below 80 per cent of the area median income.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

