STAND. COM. REP. NO.

Honolulu, Hawaii Rebuay 13 , 2016

RE: H.B. No. 1958 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committees on Housing and Human Services, to which was referred H.B. No. 1958 entitled:

"A BILL FOR AN ACT RELATING TO A GENERAL EXCISE TAX EXEMPTION FOR LOW INCOME RENTAL SUBSIDIES,"

beg leave to report as follows:

The purpose of this measure is to exempt rental subsidy payments for Section 8 and Housing First Programs from the state general excise tax.

The Hawaii Public Housing Authority, a Maui County councilmember, and a concerned individual supported this measure. The Governor's Coordinator on Homelessness, Department of Human Services, and Hawaii Association of Realtors supported the intent of this measure. The Department of Taxation and the Tax Foundation of Hawaii provided comments.

Your Committees note the comments raised by the Department of Taxation on this measure, which states that the fiscal implications of this measure may mean a loss of revenue of over \$4,000,000 to \$5,000,000 annually.

Your Committees have amended this measure by:

 Changing the application date of this measure to gross income or gross proceeds received after December 31, 2016; and

HB1958 HD1 HSCR HSG-HUS HMS 2016-1769

STAND. COM. REP. NO.4119 -16 Page 2

(2) Changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1958, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1958, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Housing and Human Services,

MARK J. HÀSHÈM, Chair

DEE MORIKAWA, Chair



State of Hawaii House of Representatives The Twenty-eighth Legislature Record of Votes of the Committee on Housing

| Bill/Resolution No.: HB 1958 Committee Referral: HB 1958 HS GI HIK, FIN Date: 0.1916 | | | | | | |
|---|------|-----------|------|---------|--|--|
| □ The committee is reconsidering its previous decision on the measure. | | | | | | |
| The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit) | | | | | | |
| HSG Members | Ayes | Ayes (WR) | Nays | Excused | | |
| 1. HASHEM, Mark J. (C) | | | | | | |
| 2. JORDAN, Jo (VC) | V | | | | | |
| 3. BELATTI, Della Au | | | | \sim | | |
| 4. CREAGAN, Richard P. | | | | | | |
| 5. KOBAYASHI, Bertrand | | | | | | |
| 6. MORIKAWA, Dee | | | | | | |
| 7. OSHIRO, Marcus R. | | | | | | |
| 8. FUKUMOTO CHANG, Beth | | | | | | |
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| TOTAL (8) | 5 | Ð | Ð | 3 | | |
| The recommendation is: Adopted If joint referral, did not support recommendation. | | | | | | |
| Vice Chair's or designee's signature: | | | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | | | |

State of Hawaii House of Representatives

House of Representatives The Twenty-eighth Legislature

Record of Votes of the Committee on Human Services

| | e Referral: /HVゴ , FI) | Date: | 2-9- | -14 | | | |
|---|---------------------------|-----------|---------|---------|--|--|--|
| The committee is reconsidering its previous decision on the measure. | | | | | | | |
| The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit) | | | | | | | |
| HUS Members | Ayes | Ayes (WR) | Nays | Excused | | | |
| 1. MORIKAWA, Dee (C) | / | | | | | | |
| 2. KOBAYASHI, Bertrand (VC) | / | | | | | | |
| 3. BELATTI, Della Au | | | | / | | | |
| 4. CREAGAN, Richard P. | | | | / | | | |
| 5. HASHEM, Mark J. | / | | | | | | |
| 6. JORDAN, J₀ | / | | | | | | |
| 7. OSHIRO, Marcus R. | | | | | | | |
| 8. FUKUMOTO CHANG, Beth | | | | | | | |
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