

STAND. COM. REP. NO. 3133

Honolulu, Hawaii

MAR 24 2016

RE: H.B. No. 2166
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2166, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the low income-household renters' income tax credit based on adjusted gross income, filing status, and the Consumer Price Index for All Urban Consumers published by the United States Department of Labor for each taxable year beginning after December 31, 2016.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Americans for Democratic Action, Hawaii Chapter; Progressive Democrats of Hawai'i; PHOCUSED; Mental Health America of Hawai'i; Catholic Charities Hawai'i; The CHOW Project; League of Women Voters of Hawaii; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Children's Action Network; and three individuals. Your Committee received comments on this measure from the Department of Taxation; Honolulu Community Action Program, Inc.; and Tax Foundation of Hawaii.

Your Committee finds that the low income-household renters credit is designed to assist many of Hawaii's low- and moderate-income families with the high cost of rent in the State. However, the credit has not been updated to address today's costs. This



measure would expand the credit in various ways, providing meaningful relief for renter households that struggle to pay rent.

Your Committee has amended this measure by:

- (1) Deleting the definition of "consumer price index";
- (2) Deleting language that, for each taxable year beginning after December 31, 2016, would have allowed inflationary adjustments to the low income-household renters credit, income threshold amount, and minimum amount paid in rent; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 H.B. No. 2166, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2166, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



BREENE HARIMOTO, Chair



