

Honolulu, Hawaii

April 8, 2016

RE: S.B. No. 2833  
S.D. 2  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2833, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSING TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to amend the calculation of the low-income housing tax credit, including the applicable period over which the credit may be claimed from ten to five years and the establishment of different credit amounts for buildings financed by tax-exempt bonds, for the purpose of increasing available funding for affordable rental housing development.

The Building Industry Association of Hawaii; Chamber of Commerce Hawaii; Community Alliance on Prisons; Catholic Charities Hawaii; Hawaii Association of REALTORS; Pacific Resource Partnership; and InState Partners testified in support of this measure. The Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development and Tourism; Department of Taxation; and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing the claimable amounts of the low-income housing tax credit based on the new calculation methodology set

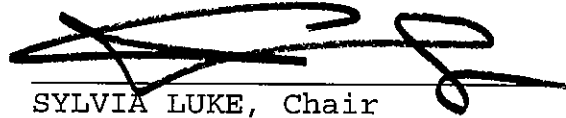


by this measure to unspecified amounts for a period of up to 10 years;

- (2) Changing its effective date to January 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2833, S.D. 2, H.D. 2.

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

  
SYLVIA LUKE, Chair



