

STAND. COM. REP. NO. 2712

Honolulu, Hawaii

MAR 04 2016

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

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2833, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to increase funding for affordable rental housing development.

Specifically, this measure amends the state low-income housing tax credit by reducing the applicable credit period from ten years to five years.

Your Committee received written comments in support of this measure from the Governor's Coordinator on Homelessness; Department of Business, Economic Development, and Tourism; Department of Human Services; Hawaii Housing Finance and Development Corporation; Catholic Charities Hawaii; The Chamber of Commerce Hawaii; and Hawaii Association of Realtors.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the development of low-income affordable housing is necessary to address the issue of homelessness and to respond to the critical shortage of affordable housing inventory in the State. Your Committee also finds that increasing the investment attractiveness of the state low-income

SB2833 SD2 SSCR LRB 16-1651-1.doc



housing tax credit would generate more equity to finance the development of affordable rental housing projects. Your Committee notes that the Department of Taxation estimates that this measure, as received by your Committee, will result in revenue losses of \$4,000,000 in fiscal year 2019, \$8,000,000 in fiscal year 2020, and \$12,000,000 in fiscal year 2021.

Your Committee has amended this measure by providing that the amount of the state low-income housing tax credit shall not exceed fifty per cent of the total federal credits allocated to a qualified low-income building. The amendment was recommended by the Department of Taxation. Your Committee believes that this amendment reflects the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2833, S.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.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



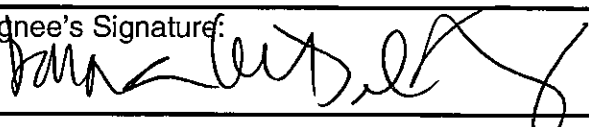
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JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2833, SD 1</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>7/21/16</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene				/
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.				/
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes