

STAND. COM. REP. NO.

1074

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 486
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 486, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE MORTGAGE INTEREST DEDUCTION,"

begs leave to report as follows:

The purpose of this measure is to eliminate the mortgage interest deduction for second homes under Hawaii income tax law and transfer an equivalent amount into the Rental Housing Revolving Fund.

The Hawaii Association of REALTORS opposed this measure. The Department of Budget and Finance, Department of Taxation, Hawaii Housing Finance and Development Corporation, Tax Foundation of Hawaii, and BIA-Hawaii provided comments.

Your Committee has amended this measure by:

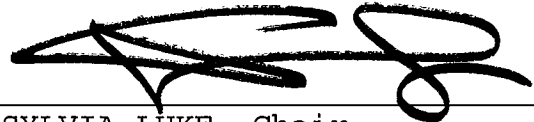
- (1) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB486 HD2 HSCR FIN HMS 2017-2534



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 H.B. No. 486, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 486, H.D. 2.

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



SYLVIA LUKE, Chair



