

Honolulu, Hawaii

FEB 10 2017

RE: S.B. No. 377
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 377
entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an
income tax credit for taxpayers who lease housing to certain low-
income tenants.

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

Your Committee finds that there is a shortage of affordable
housing in the State, including a lack of affordable rental
property. Your Committee further finds that one contributing
factor to the lack of affordable rental housing is the high costs
of property ownership, which encourage many landlords to enter
into interval or short-term rentals rather than workforce-eligible
rentals. This measure will incentivize landlords to offer
workforce-eligible rentals by providing a tax credit that will
reduce the costs of affordable rental property ownership.

Your Committee has amended this measure by:


- (1) Specifying the amount of the tax credit as ten percent
of rent collected per housing unit, per month, up to a
maximum of \$2,000 per taxpayer per year;



- (2) Removing the residency requirement for the tax credit;
- (3) Changing the maximum income for an eligible tenant to eighty percent of the area median income;
- (4) Applying the credit to taxable years beginning after December 31, 2017; and
- (5) 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 S.B. No. 377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 377, 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,

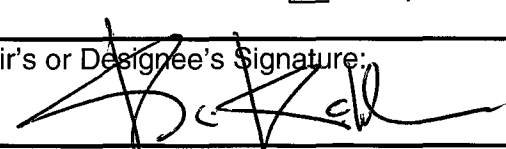


WILL ESPERO, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 377	Committee Referral: HOU, WAM	Date: 2/7/17		
<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
ESPERO, Will (C)	/			/
HARIMOTO, Breene (VC)	/			/
KAHELE, Kaiali'i	/			
KEITH-AGARAN, Gilbert S.C.	/			/
NISHIHARA, Clarence K.				/
TOTAL	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes