

Honolulu, Hawaii

February 9, 2018

RE: H.B. No. 1746
H.D. 1,

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ocean, Marine Resources, & Hawaiian
Affairs, to which was referred H.B. No. 1746 entitled:

"A BILL FOR AN ACT RELATING TO INDIVIDUAL HOUSING ACCOUNTS,"

begs leave to report as follows:

The purpose of this measure is to promote the economic self-sufficiency and housing security of Hawaii residents and families by providing tax incentives for participation in financial literacy and housing savings account programs. Specifically, this measure:

- (1) Increases the cap of the income tax deduction for individual housing accounts;
- (2) Authorizes the use of funds from an individual housing account to obtain rental housing;
- (3) Authorizes the maintenance of individual housing accounts in community development financial institutions; and
- (4) Repeals the requirements for the payment of taxes on distributions used for the purchase of a first principal residence.



The Office of Hawaiian Affairs, a County of Maui Council Member, Hanalei Watershed Hui, Hawaiian Civic Club of Honolulu, Ho'omanapono Political Action Committee, We Are One Inc., and numerous concerned individuals supported this measure. The Department of Taxation, Hawaiian Community Assets, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing the effective date to December 24, 2088, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ocean, Marine Resources, & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1746, H.D. 1, and be referred to your Committee on Housing.

Respectfully submitted on
behalf of the members of the
Committee on Ocean, Marine
Resources, & Hawaiian Affairs,


KANIELA ING, Chair



