

Honolulu, Hawaii MAKA 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:

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



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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,

Chair SYLVIA LÜKE,



State of Hawaii House of Representatives The Twenty-ninth Legislature



## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: HB 486 HD [	Committee HSG,		Date	2 23 17	
The committee is reconsidering it	s previous decision	on the measure.	······································		
	Pass, unamended ( Pass short form bil		s, with amendments nmit for future publi		
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)					· · · · · · · · ·
2. CULLEN, Ty J.K. (VC)					
3. CACHOLA, Romy M.	· · · · · · ·				
4. CHOY, Isaac W.		$\checkmark$			
5. DeCOITE, Lynn					
6. GATES, Cedric Asuega		$\checkmark$			
7. HOLT, Daniel	-				
8. KEOHOKALOLE, Jarrett		$\checkmark$			
9. KOBAYASHI, Bertrand		$\checkmark$			
10. LoPRESTI, Matthew S.					
11. LOWEN, Nicole E.					
12. NAKAMURA, Nadine K.					
13. TOKIOKA, James Kunane					
14. QUINLAN, Sean		$\checkmark$			
15. YAMASHITA, Kyle T.					
16. TUPOLA, Andria P.L.				$\checkmark$	
17. WARD, Gene				$\checkmark$	
		<u>.</u>			
<b>TOTAL (17)</b>		13	0	3	1
The recommendation is:	Adopted	Not Adopte	ed		
If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signatur	e: 1	7.K.C	-le		
Distribution: Original (White) – C	ommittee Du	plicate (Yellow) –	Chief Clerk's Office	e Duplicate (	Pink) – HMSO