

STAND. COM. REP. NO.

1386

Honolulu, Hawaii

, 2019

MAR 15

RE: S.B. No. 1310

S.D. 2

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 1310, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish the Individual Housing Accounts Savings Program. Specifically, this measure:

- (1) Establishes the Individual Housing Accounts Savings Board and Individual Housing Accounts Savings Program Administrative Fund;
- (2) Assesses a ten percent penalty on certain distributions from an Individual Housing Account;
- (3) Expands qualifying purposes for which an individual housing account tax deduction may be taken;
- (4) Permits an individual housing account to be opened by an individual for a dependent upon the birth of the dependent;
- (5) Requires the Department of Taxation to establish rules pursuant to Chapter 91, Hawaii Revised Statutes; and

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- (6) Appropriates funds for the Individual Housing Accounts Savings Program Administrative Fund.

The Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii submitted testimony in support of this measure. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii submitted comments on this measure.

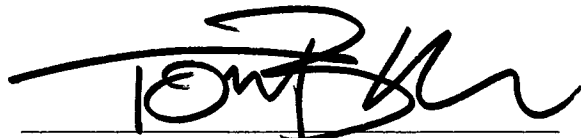
Your Committee notes that it has been working with the Department of Taxation to consolidate components of the proposed Individual Housing Accounts Savings Program into the existing individual housing account statute, making the establishment of a new program unnecessary. Your Committee requests that should this measure advance in the legislative process that your Committee on Judiciary continue the discussions with the Department of Taxation.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1310, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1310, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary.

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



TOM BROWER, Chair



