

STAND. COM. REP. NO.

2102

Honolulu, Hawaii

APR 04 , 2019

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 Finance, to which was referred S.B. No. 1310, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to facilitate more robust and effective use of existing Individual Housing Accounts by establishing the:

- (1) Individual Housing Accounts Savings Program to be administered by the Individual Housing Accounts Savings Board (Board); and
- (2) Individual Housing Accounts Savings Program Administrative Fund.

Among other things, this measure:

- (1) Expands the qualifying purposes for which an Individual Housing Account may be used to include providing for assistance during economic hardships, capital improvements for homeownership, cemetery and mortuary services, or senior housing;

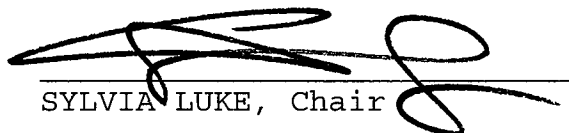


- (2) Assesses a ten percent penalty on withdrawals from an Individual Housing Account made less than a year from the date of deposit;
- (3) Permits a taxpayer to open an Individual Housing Account for a dependent upon the birth of the dependent and to realize the tax benefits for contributions to the Individual Housing Account;
- (4) Requires the Director of Taxation to establish rules and prepare any forms necessary to establish an Individual Housing Account in the name of a dependent of a taxpayer; and
- (5) Appropriates funds into and out of the Individual Housing Accounts Savings Program Administrative Fund for the Board's administrative and operating expenses.

The Department of Budget and Finance, Department of Taxation, Tax Foundation of Hawaii, and Hawaii Credit Union League provided comments on this measure.

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 S.B. No. 1310, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

  
SYLVIA LUKE, Chair



