

STAND. COM. REP. NO.

1415

Honolulu, Hawaii

MAR 19 , 2019

RE: S.B. No. 1394
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. 1394, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION,"

begs leave to report as follows:

The purpose of this measure is to facilitate the rehabilitation of historic structures by:

- (1) Establishing a historic preservation income tax credit; and
- (2) Establishing and appropriating funds to the State Historic Preservation Division for one temporary position to assist with the establishment and administration of the historic preservation income tax credit program.

The Department of Land and Natural Resources, Historic Hawai'i Foundation, and an individual submitted testimony in support of this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee notes that the measure establishes and appropriates funds for one temporary position in the Department of

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Land and Natural Resources, and that the temporary position will expire at the end of an unspecified fiscal year.

Your Committee has amended this measure by:

- (1) Deleting the tax credit for qualified rehabilitation expenditures for units that provide, at least in part, affordable rental housing;
- (2) Increasing the tax credit for qualified rehabilitation expenditures from twenty-five to thirty percent; and
- (3) 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. 1394, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1394, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



TOM BROWER, Chair



