STAND. COM. REP. NO. 1597

Honolulu, Hawaii

, 2019

MAR 22

RE: S.B. No. 301

S.D. 1 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 Consumer Protection & Commerce, to which was referred S.B. No. 301, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION OF REAL ESTATE INVESTMENT TRUSTS,"

begs leave to report as follows:

The purpose of this measure is to disallow any deduction from state income taxes for the dividends paid by real estate investment trusts.

The Church of the Crossroads, Hawaiian Community Assets, International Longshore and Warehouse Union Local 142, Black Development Corporation, Imperial Associates, LTD, C E & S Corp., Kairos Energy Capital LLC, MRC West Inc, Tradewind Capital Group, Fergus & Company LLC, American Electric, IMUAlliance, Hawaii Children's Action Network, Sierra Club of Hawaii, Americans for Democratic Action, League of Women Voters of Hawaii, Pono Hawaii Initiative, Faith Action for Community Equity, Commercial Properties of Maui LLC, and numerous individuals testified in support of this measure. The Chamber of Commerce Hawaii, Land Use Research Foundation of Hawaii, OPTrust, Public Storage, Extra Space Storage Inc., Alexander & Baldwin, Brookfield Properties, Ala Moana Center, National Association of Real Estate Investment Trusts, Hawaii Construction Alliance, Douglas Emmett, Inc.,

Commercial Real Estate Development Association Hawaii Chapter, Park Hotels & Resorts, Inc., Hawaii Association of REALTORS, Taubman Centers, Sunstone Hotel Investors, Inc., Pacific Resource Partnership, Hawaii Real Estate for American Assets Trust, The Shidler Group, General Contractors Association of Hawaii, Hawaii Laborers Union Local 368, and a few individuals testified in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 301, S.D. 1, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROY M. TAKUMI, Chair

## State of Hawaii

House of Representatives
The THIRTIETH Legislature

House of Representatives
The THIRTIETH Legislature

## **Record of Votes of the Committee on Consumer Protection & Commerce**

	F013		2/19	110	
SB 301, SDI, HDI	EDI3, CDC, FIN			3/19/19	
☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)					
<b>CPC Members</b>	Ayes	Ayes (WR	Nays	Excused	
1. TAKUMI, Roy M. (C)	/				
2. ICHIYAMA, Linda (VC)	/				
3. AQUINO, Henry J.C.	✓				
4. BELATTI, Della Au				/	
5. CABANILLA ARAKAWA, Rida					
6. CACHOLA, Romy M.					
o. Cachola, Rolly M.	<u> </u>				
7. HAR, Sharon E.		<b>V</b>			
8. KONG, Sam Satoru		<b>/</b>	F 0.23 E-080. 2 . 12		
9. MIZUNO, John M.	MALIE UA			/	
10. ONISHI, Richard H.K.	/				
11. MATSUMOTO, Lauren	<b>√</b>				
TOTAL (11)		7	0	2	
The recommendation is:  Adopted  Not Adopted  did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					