

STAND. COM. REP. NO.

2121

Honolulu, Hawaii

APR 05

, 2019

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 Finance, 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 the deduction from state income taxes for dividends paid by real estate investment trusts.

This measure also provides that ten percent of the revenues generated from real estate investment trusts shall be used by the Department of Business, Economic Development & Tourism to fund economic development in the State.

Hawaii Children's Action Network, Sierra Club of Hawai'i, Fergus & Company LLC, Americans for Democratic Action Hawai'i, Faith Action for Community Equity, IMUAlliance, LGBT Caucus of the Democratic Party of Hawaii, St. Elizabeth's Episcopal Church, MoveOn.org Honolulu, Kairos Energy Capital LLC, American Electric, Black Development Corporation, Commercial Properties of Maui LLC, C E & S Corp., MRC West Inc., Imperial Associates, Ltd., Tradewind Capital Group, League of Women Voters of Hawaii, McCully Works,

SB301 HD1 HSCR FIN HMS 2019-3680



International Longshore and Warehouse Union Local 142, and numerous individuals testified in support of this measure.

The Hawaii members of Nareit, Hawaii Laborers-Employers Cooperation and Education Trust, Land Use Research Foundation of Hawaii, Park Hotels & Resorts Inc., Extra Space Storage Inc., Hawai'i Association of REALTORS, American Assets Trust, Public Storage, Simon Property Group, Taubman Centers, OPTrust, Alexander & Baldwin, The Chamber of Commerce Hawaii, Ala Moana Center, Brookfield Properties, Douglas Emmett, Inc., Pacific Resource Partnership, Hawai'i Construction Alliance, Laborers' International Union of North America Local 368, and General Contractors Association of Hawaii testified in opposition to this measure.

The Department of Taxation, Tax Foundation of Hawaii, Hawaiian Community Assets, Church of the Crossroads, Pono Hawai'i Initiative, and numerous individuals 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. 301, S.D. 1, 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



