

STAND. COM. REP. NO. 744-20

Honolulu, Hawaii

FEB 27 , 2020

RE: H.B. No. 2527

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2527, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSING TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Specify that certain provisions of the Internal Revenue Code related to at-risk rules and deductions and passive activity loss do not apply to the State Low-Income Housing Tax Credit allocations after December 31, 2020;
- (2) Extend the time period in which to claim the Low-Income Housing Tax Credit; and
- (3) Enable state partnerships to claim the tax credit even if the partnerships are not considered partners for federal tax purposes.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Chamber of Commerce Hawaii, Building Industry Association of Hawaii, and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of

HB2527 HD1 HSCR FIN HMS 2020-1327



Taxation; Tax Foundation of Hawaii; Hunt Companies-Hawaii; Hunt Capital Partners, LLC; and Sugar Creek Capital.

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 H.B. No. 2527, H.D. 1, and recommends that it pass Third Reading.

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



A handwritten signature in black ink, appearing to read 'Sylvia Luke', is written over a horizontal line.

SYLVIA LUKE, Chair



