

STAND. COM. REP. NO. **3013**

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2624
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2624 entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSEHOLD RENTERS CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the low-income tax credit for low-income household renters.

Specifically, this measure:

- (1) Sets the tax credit amount based on adjusted gross income and filing status, phasing out the credit as the taxpayer's income rises;
- (2) Establishes a maximum tax credit of \$150 per exemption; and
- (3) Automatically adjusts the tax credit in future years according to increases in the United States Department of Labor consumer price index for urban Hawaii.

Your Committee received written comments in support of this measure from the IMUAlliance, Hawaii Appleseed Center for Law & Economic Justice, and Americans for Democratic Action Hawaii.



Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure provides a needed adjustment to the eligibility requirements for renters under the income tax credit for low-income household renters, as the cost of housing in the State has increased by three hundred ninety per cent since the income eligibility threshold for this credit was last adjusted in 1989. Your Committee further finds that this adjustment to the tax credit will benefit qualified low-income renters in the State.

Your Committee has amended this measure by:

- (1) Amending the provision for automatic adjustment of the tax credit in future years to be calculated using the percentage, if any, by which the consumer price index for June of the preceding calendar year exceeds the consumer price index for June 2020; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2624, S.D. 1, and be placed on the calendar for Third Reading.

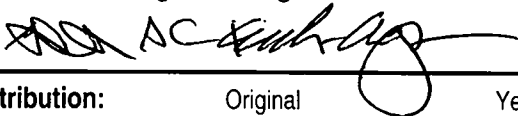
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2624	Committee Referral: WAM	Date: 2/19/20		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	10			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes