

STAND. COM. REP. NO.

1539

Honolulu, Hawaii

APR 07 2021

RE: H.B. No. 286  
H.D. 1  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 286, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the gathering of more accurate data regarding real estate investment trusts.

More specifically, this measure authorizes the Department of Taxation to require real estate investment trusts to notify the Department of their presence within the State and to annually report assets and revenues generated.

Your Committee received written comments in support of this measure from the Department of Taxation, Americans for Democratic Action, Democratic Party of Hawaii Education Caucus, Faith Action for Community Equity, Hawaii Children's Action Network Speaks!, Hawaii State Teachers Association, Imua Alliance, League of Women Voters of Hawaii, and seven individuals.

Your Committee received written comments in opposition to this measure from the Securities Industry Association of Hawaii.



Your Committee received written comments on this measure from Alexander and Baldwin; Douglas Emmett; NAIOP Hawaii; Nareit Hawaii; Park Hotels and Resorts, Inc.; and Tax Foundation of Hawaii.

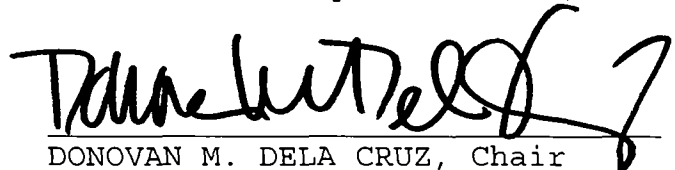
Your Committee finds that real estate investment trusts play a significant role in Hawaii's economy. However, your Committee also finds that assets of and revenues generated by real estate investment trusts may not have been reported to and accurately recorded by the State. Your Committee believes that, as Hawaii faces major budget shortfalls this year and for several years to come, it is imperative that all business entities provide accurate reporting to the Department of Taxation of their assets and generated revenues.

Your Committee has amended this measure by:

- (1) Clarifying that the measure shall apply to taxable years beginning after December 31, 2021; 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 H.B. No. 286, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 286, H.D. 1, S.D. 2.

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

  
DONOVAN M. DELA CRUZ, Chair



