

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 868
S.D. 1

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

Sir:

Your Committee on Housing, to which was referred S.B. No. 868
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, phrasing out the credit as the
taxpayer's income rises; and
- (2) Establishes a maximum tax credit of \$150 per exemption.

Your Committee received testimony in support of this measure
from IMUA Alliance and Hawaii Appleseed Center for Law & Economic
Justice. Your Committee received 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 percent



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 making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 1, and be referred to your Committee on Ways and Means.

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


STANLEY CHANG, Chair



