

Honolulu, Hawaii

APR 08, 2022

RE: S.B. No. 1121  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1121, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to exempt all gross proceeds arising from the planning, design, financing, or construction of any housing development by the Department of Hawaiian Home Lands from general excise taxes.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Department of Hawaiian Home Lands, and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that the general excise tax exemption applies only to housing development on homestead lands;
- (2) Requiring the Department of Hawaiian Home Lands to adopt rules necessary to carry out the purposes of this measure;



- (3) Additionally exempting the gross proceeds and imposition of tax on imported property and services arising from the planning, design, financing, or construction of any housing development by the Department of Hawaiian Home Lands from the use tax; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1121, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1121, S.D. 2, H.D. 1.

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



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SYLVIA LUKE, Chair



