

STAND. COM. REP. NO. 793

Honolulu, Hawaii

**MAR 05 2021**

RE: S.B. No. 302  
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 S.B. No. 302, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to address the high cost of housing in the State by adjusting the eligibility requirements for the income tax credit for low-income household renters.

More specifically, this measure:

- (1) Creates tax brackets that more sharply target the tax credit toward lower-income taxpayers and phase out the credit as a taxpayer's income rises; and
- (2) Adjusts the amounts of the credit and income eligibility every three years using a percentage based on the United States Consumer Price Index.

Your Committee received written comments in support of this measure from Americans for Democratic Action, Hawaii Children's Action Network Speaks!, League of Women Voters of Hawaii, and one individual.



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

Your Committee finds that the income eligibility threshold for the income tax credit for low-income household renters was last adjusted in 1989, and the credit amount allowed was last adjusted in 1981. Since 1989, the cost of housing has increased by three hundred ninety per cent. Accordingly, your Committee believes it is appropriate to adjust the eligibility requirements and allowable credit amounts for the tax credit and to provide for future adjustments based on the United States Consumer Price Index.

Your Committee has amended this measure by:

- (1) Changing the amounts of the tax credit per exemption to unspecified amounts;
- (2) Making corrections to the text of section 235-55.7, Hawaii Revised Statutes, to accurately reflect the printed version of the Hawaii Revised Statutes;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) 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. 302, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 302, S.D. 2.

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

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 302, SD 1	HOU, WAM	3/2/21

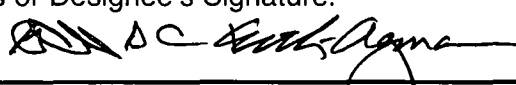
The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
 Pass, with amendments 2311    
 Hold 2310    
 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			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>11</b>			

Recommendation:  Adopted      Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes