STAND. COM. REP. NO. **1876**

Honolulu, Hawaii

APR 0 9 , 2021

RE: S.B. No. 659

S.D. 2 H.D. 3

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 659, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LOW-INCOME HOUSING TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to amend the Low-Income Housing Tax Credit by:

- (1) Allowing the tax credit to be allocated among the partners or members of the partnership or limited liability company earning the credit in any manner agreed to by the partners or members;
- (2) Requiring claims for the Low-Income Housing Tax Credit to include Internal Revenue Service Form 8609;
- (3) Extending the increases made to the Low-Income Housing Tax Credit to an unspecified date; and
- (4) Applying the amendments to taxable years beginning after December 31, 2020.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce; Bank of Hawaii; Dowling Company, Inc.; NAIOP Hawaii; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Taxation, Tax Foundation of Hawaii, Hunt Companies - Hawaii, Hunt Capital Partners LLC, Sugar Creek Capital, and Stanford Carr Development, LLC.

Your Committee has amended this measure by:

- (1) Changing when the amendments apply from taxable years beginning after December 31, 2020, to taxable years beginning after December 31, 2050; and
- (2) 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. 659, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 659, S.D. 2, H.D. 3.

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



State of Hawaii House of Representatives The Thirty-first Legislature

HSCR 1876

Record of Votes of the Committee on Finance

SB 059, SD2, HD2 HSG		_	ate: 4 - 7 - 2	202-1
SB 059, SD2, HD2 HSG, CPC, FIN 4-7-2021 The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)			·	
2. CULLEN, Ty J.K. (VC)				
3. BRANCO, Patrick Pihana				
4. ELI, Stacelynn K.M.				
5. HOLT, Daniel				
6. ILAGAN, Greggor				
7. KOBAYASHI, Bertrand		:		
8. MARTEN, Lisa				
9. NISHIMOTO, Scott Y.		79.11.		
10. PERRUSO, Amy A.				
11. SAYAMA, Jackson D.				
12. TAM, Adrian K.				
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				
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TOTAL (15)	15	Ø	Ø	Ø
The recommendation is: Adopted If joint referral, committee acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				