STAND. COM. REP. NO. 216

Honolulu, Hawaii

FEB 1 2 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,

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Housing HOU

Bill / Resolution No.:*	Committee Referral:			Date:	
SB 868	HOU, WAM			02/04/2021	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
CHANG, Stanley (C)					
KANUHA, Dru Mamo (VC)		V			
MORIWAKI, Sharon Y.					
RHOADS, Karl					
FEVELLA, Kurt					
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TOTAL		5	Ø	Ø	Ø
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow File with Committee Report Clerk's Office			Pink Goldenrod Drafting Agency Committee File Copy		

*Only one measure per Record of Votes