

STAND. COM. REP. NO. 1181

Honolulu, Hawaii

**MAR 20 2025**

RE: H.B. No. 286  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B.  
No. 286, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE INDIVIDUAL HOUSING ACCOUNT  
PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the  
maximum annual deduction for contributions to, and maximum account  
levels for, individual housing accounts.

Your Committee received testimony in support of this measure  
from the Maui Chamber of Commerce and six individuals.

Your Committee received testimony in opposition to this  
measure from one individual.

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

Your Committee finds that housing security and affordability  
is of paramount importance to the State. Presently, individuals  
can contribute up to \$5,000 per year to an Individual Housing  
Account, which enables the individuals to deduct from their  
account to help save up a down payment to purchase a home.  
However, as current housing prices have significantly increased



within the last ten years, increasing the cap for contributions will better reflect the reality of the current housing market and better assist prospective homeowners to achieve homeownership.

Your Committee notes the testimony of the Department of Taxation that more individuals use a Roth individual retirement account (IRA) than an individual housing account to save for a future down payment on a home. A Roth IRA is an account funded with after-tax dollars that can be used to purchase a first home, fund education, or save for retirement. Presently, the maximum annual contribution for a Roth IRA is \$7,000. However, the maximum contribution for an individual housing account is currently \$5,000, making Roth IRAs a tax-favored option. Therefore, your Committee respectfully requests subsequent Committees who choose to deliberate on this measure to consider inserting a cap of \$10,000 for single individuals, and \$20,000 for married individuals filing jointly, to make individual housing accounts more beneficial for achieving homeownership.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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 H.B. No. 286, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 286, H.D. 2, 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



## Record of Votes Committee on Housing HOU

\*Only one measure per Record of Votes