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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 826, Relating to the Low-Income Housing Tax Credit

BEFORE THE:

Senate Committee on Housing

DATE: Thursday, January 30, 2025

TIME: 1:10 p.m.

LOCATION: State Capitol, Room 225

Chair Chang, Vice-Chair Hashimoto, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 826 for your consideration.

S.B. 826 amends section 235-110.8, Hawaii Revised Statutes (HRS) to clarify that the School Facilities Authority as defined under HRS Chapter 302A, part VI, subpart C, is not eligible as a housing developer for the Low-Income Housing Tax Credit.

The measure would take effect upon its approval.

DOTAX will be able to implement the bill by the current effective date. Thank you for the opportunity to provide comments on this measure.

TAX FOUNDATION OF HAWAII

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SUBJECT: INCOME TAX; Clarification of Developers eligible for Low Income Housing Tax Credit

BILL NUMBER: SB 826

INTRODUCED BY: HASHIMOTO

EXECUTIVE SUMMARY: Clarifies housing developers that are eligible for the Low Income Housing Tax Credit.

SYNOPSIS: Amends section 235-110.8, HRS, by adding the language, “provided that this section shall not apply to chapter 302A, part VI, subpart C.”

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: As written, there appears to be a typo in the bill. Chapter 302A, part VI, subchapter C, HRS, governs the School Facilities Authority under the Department of Education. We are unable to figure out the meaning of the proviso as written.

Digested: 1/28/2025