

STAND. COM. REP. NO.

2932

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 3059
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred H.B. No. 3059, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to reduce, from ten years to five, the period over which certain state low-income housing tax credits may be taken.

Testimony in support of this measure was submitted by the Department of Taxation, Hawaii Housing Finance and Development Corporation of the Department of Business, Economic Development and Tourism, Castle & Cooke Hawai'i, and the Hawaii Association of Realtors. Comments on the measure were submitted by the Tax Foundation of Hawaii.

Your Committee finds that one important method through which the State's affordable housing crisis may be alleviated is the creation of viable tax incentives to promote public-private partnerships to develop additional housing units. The reduction in the tax credit claim period accomplished by this measure will make the credit more attractive to investors and more useful to project partnerships because the return would be realized within a much shorter time frame.



Your Committee has amended this measure by replacing its contents with that of companion bill, S.B. No. 2981, S.D. 2.

The Hawaii Housing Finance and Development Corporation has expressed preference for this Senate companion measure because it clarifies that the state housing credit shall be one hundred per cent of the applicable percentage of the qualified basis of each building located in Hawaii; provided that the applicable percentage is calculated as provided in section 42(b) of the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3059, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3059, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.


Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Public Housing,


SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:*	Committee Referral:	Date:		
HB3059, HD1	HSP, EDT, WAM	3/11/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes