

STAND. COM. REP. NO.

403

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1241

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 1241 entitled:

"A BILL FOR AN ACT RELATING TO CONVEYANCE TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the conveyance tax exemption for the sale or transfer of land for low-income housing projects that have been certified by the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Catholic Charities Hawai'i. Your Committee received comments on this measure from the Department of Taxation.

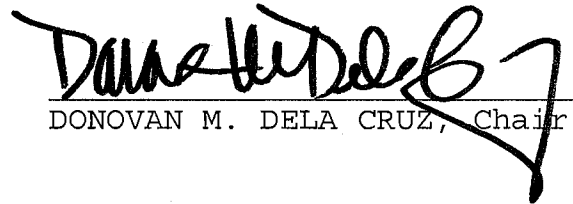
Your Committee finds that the conveyance tax has not been a significant barrier to affordable housing development because the conveyance tax is paid by the seller and not the purchaser who will be developing the low-income housing project. Exemption from the conveyance tax for low-income housing projects has not helped to increase the inventory of affordable housing and should be repealed. Your Committee further finds that based on the testimony from the Department of Taxation, the impact of this measure on the General Fund will be minimal.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of



S.B. No. 1241 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land, and
Housing,


DONOVAN M. DELA CRUZ, Chair



