
A BILL FOR AN ACT

RELATING TO REAL ESTATE INVESTMENT TRUSTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. (a) The department of business, economic
2 development, and tourism, with the assistance of the department
3 of taxation, shall study the impact of real estate investment
4 trusts in Hawaii and the possible effect of repealing the
5 dividends paid deduction for real estate investment trusts. The
6 study shall address the following:

7 (1) The total number of real estate investment trusts that
8 operate in Hawaii;

9 (2) Of that total in paragraph (1), the number that are
10 Hawaii-based;

11 (3) The number of Hawaii taxpayers who are investors in
12 real estate investment trusts that operate in Hawaii;

13 (4) The number of Hawaii taxpayers who are investors in
14 Hawaii-based real estate investment trusts that
15 operate in Hawaii;

16 (5) A breakdown of Hawaii taxpayers who are investors in
17 Hawaii-based real estate investment trusts that
18 operate in Hawaii, by filing status and income;



- 1 (6) The direct and indirect impacts of real estate
2 investment trusts on the Hawaii economy, especially in
3 real estate development and operation;
- 4 (7) A comprehensive examination of captive real estate
5 investment trusts for companies operating in Hawaii;
- 6 (8) An examination of the argument that real estate
7 investment trusts provide opportunities for small
8 investors to pool funds with others and invest in real
9 estate developments, similar to investments through
10 mutual funds invested in company stocks;
- 11 (9) An examination of the possible transfer pricing if the
12 dividend paid income tax deduction for real estate
13 investment trusts is repealed;
- 14 (10) An examination of the equity and efficiency of the
15 dividends paid income tax deduction for real estate
16 investment trusts;
- 17 (11) The projected tax revenue impact to the State if the
18 dividends paid income tax deduction for real estate
19 investment trusts is repealed;



1 (12) The impact on the real estate development market and
2 capacity if the dividends paid income tax deduction
3 for real estate investment trusts is repealed; and

4 (13) The impact on the economy of the State if the
5 dividends paid income tax deduction for real estate
6 investment trusts is repealed.

7 (b) The department of business, economic development, and
8 tourism shall submit its findings and recommendations, including
9 any proposed legislation, to the legislature not later than
10 twenty days prior to the convening of the regular session of
11 2016.

12 SECTION 2. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$100,000 or so much
14 thereof as may be necessary for fiscal year 2015-2016 for the
15 study on real estate investment trusts required under section 1
16 of this Act.

17 The sum appropriated shall be expended by the department of
18 business, economic development, and tourism for the purposes of
19 this Act.

20 SECTION 3. This Act shall take effect upon approval;
21 provided that section 2 shall take effect on July 1, 2015.



Report Title:

Real Estate Investment Trusts; Dividends Paid Deduction; Income Tax; DBEDT Study; Appropriation

Description:

Requires, and appropriates funds for, DBEDT, with the assistance of DOTAX, to study the impact of real estate investment trusts in Hawaii. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

