

STAND. COM. REP. NO.

3567

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 207
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 207, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the income tax credit for low-income household renters.

For purposes of a public hearing, your Committee circulated a proposed S.D. 1 (Proposed Draft) of the measure and notified the public that your Committee would be accepting testimony on the Proposed Draft, which deletes the existing provisions of this measure and replaces its contents with provisions to:

- (1) Increase estate taxes for Hawaii net taxable estates valued at over \$10,000,000; and
- (2) Raise the conveyance tax rates for residential investment properties with a value of at least \$2,000,000.

Your Committee received testimony in support of the H.D. 2 version from IMUAlliance, Hawaiian Community Assets, and one individual.



Your Committee received written comments on the H.D. 2 version from Catholic Charities Hawaii.

Your Committee received testimony in support of the Proposed Draft from the Hawaii Appleseed Center for Law and Economic Justice, Hawaii Alliance for Progressive Action, and eight individuals.

Your Committee received testimony in opposition to the Proposed Draft from the Kohala Coast Resort Association, Hawaii Association of REALTORS, League of Women Voters of Hawaii, and The Chamber of Commerce Hawaii.

Your Committee received comments on the Proposed Draft from the Department of Taxation, Hawaii Housing Finance and Development Corporation, Tax Foundation of Hawaii, and Faith Action for Community Equity.

Your Committee finds that this measure will provide additional revenues to the State through the taxation of high-value estates and residential investment properties.


Your Committee has amended this measure by adopting the Proposed Draft and further amending the Proposed Draft by:

- (1) Clarifying that the increased conveyance tax rates do not apply to multi-family condominium units; and
- (2) Changing the date that the increased conveyance tax rates take effect from July 1, 2018, to January 1, 2019.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 207, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 207, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

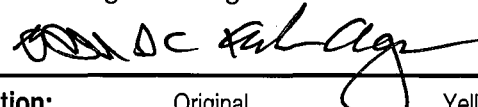


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 207 HD2	Committee Referral: WAM	Date: 4/5/18		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.				X
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil		X		
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
TOTAL	8	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes