

Honolulu, Hawaii

March 2, 2018

RE: H.B. No. 2703
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2703, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING AFFORDABILITY,"

begs leave to report as follows:

The purpose of this measure is to provide some relief to low-income residents by amending certain tax provisions.

Specifically, this measure:

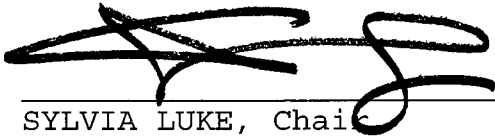
- (1) Allocates a portion of conveyance tax revenues to the rental assistance revolving fund to be used by the Hawaii Housing Finance and Development Corporation to subsidize rents for persons who meet certain income requirements;
- (2) Increases the income tax credit for low-income household renters; and
- (3) Converts the state earned income tax credit into a refundable tax credit and changes the amount of the credit to an unspecified percentage of the federal earned income tax credit.



The Office of Hawaiian Affairs, IMUAlliance, League of Women Voters of Hawaii, Hawaii Appleseed Center for Law & Economic Justice, Catholic Charities Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, and a concerned individual supported this measure. The Hawai'i Association of REALTORS opposed this measure. The Department of Taxation, Hawaii Housing Finance and Development Corporation, and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2703, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



