

STAND. COM. REP. NO.

1075

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1012
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1012, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE INVESTMENT TRUSTS,"

begs leave to report as follows:

The purpose of this measure is to temporarily disallow the deductions for dividends paid by real estate investment trusts for a period of 15 years, except for dividends generated from trust-owned housing that is affordable to households with incomes at or below 140 percent of median family income, as determined by the United States Department of Housing and Urban Development.

Steiner & Associates, International Longshore and Warehouse Union Local 142, and several concerned individuals supported this bill. The Land Use Research Foundation of Hawaii, Hawaii Association of REALTORS, Park Hotels & Resorts, Inc., Pacific Resource Partnership, Hawaii Regional Council of Carpenters, Kobayashi Group, The MacNaughton Group, BlackSand Capital, Hawaii Real Estate for American Assets Trust, Douglas Emmett, Inc., Public Storage, National Association of Real Estate Investment Trusts, Taubman Centers, GGP Inc., The Shidler Group, OP Trust, DeBartolo Hawaii, and General Contractors Association of Hawaii opposed this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

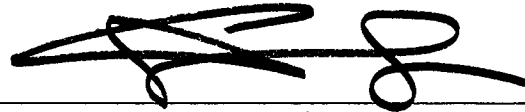
HB1012 HD2 HSCR FIN HMS 2017-2536



Your Committee has amended this measure by changing the effective date to July 1, 2030, to facilitate further discussion.

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. 1012, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1012, H.D. 2.

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

A handwritten signature in black ink, appearing to read 'Sylvia Luke', written over a horizontal line.

SYLVIA LUKE, Chair



