

STAND. COM. REP. NO.

482

Honolulu, Hawaii

FEB 19 , 2021

RE: H.B. No. 131
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 131
entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the tax credit for low-income individuals and household renters;
- (2) Increase the adjusted gross income eligibility cap for the income tax credit for low-income household renters using tax brackets for individuals and different categories of households; and
- (3) Provide for annual increases based on the Consumer Price Index.

Your Committee received testimony in support of this measure from Imua Alliance, Hawaii Appleseed Center for Law & Economic Justice, and League of Women Voters of Hawaii. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

2021-1475 HB131 HD1 HSCR HMSO-1



Your Committee finds that the income tax credit for low-income household renters last increased in 1981, from \$20 per exemption to \$50 per exemption. This measure adjusts the eligibility requirements under the income tax credit for low-income household renters and increases the amount of the tax credit to provide help to individuals and families needing rental assistance.

Your Committee has amended this measure by:

- (1) Using the federal adjusted gross income as the threshold determinant for income tax credit eligibility;
- (2) Setting the inflation increase for the income tax credit to occur every three years, rather than annually;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 131, H.D. 1, and be referred to your Committee on Finance.

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


NADINE K. NAKAMURA, Chair



HSCR 482

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB131	Committee Referral: HSG, FIN	Date: 2/9/21		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKAMURA, Nadine K. (C)	✓			
2. HASHIMOTO, Troy N. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. DeCOITE, Lynn	✓			
5. ILAGAN, Greggor	✓			
6. KITAGAWA, Lisa	✓			
7. TAKUMI, Roy M.	✓			
8. McDERMOTT, Bob				✓
TOTAL (8)	7	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				