

Honolulu, Hawaii

February 19, 2015

RE: H.B. No. 345
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 345
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to impose a conveyance tax on
the conveyance or transfer of a controlling interest in an entity
that has interest in real property located within the State.

The Nature Conservancy, Catholic Charities Hawaii, and
IMUAlliance supported this measure. The Department of Land and
Natural Resources supported the intent of this measure. The Land
Use Research Foundation of Hawaii and Chamber of Commerce Hawaii
opposed this measure. The Department of Taxation and Tax
Foundation of Hawaii commented on the measure.

Your Committee has amended this measure by:

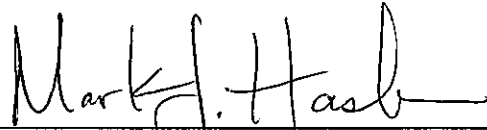
- (1) Clarifying that the entity holding the interest in real
property shall have no more than ten persons with
ownership interests immediately prior to the transfer of
interest where the transfer consists solely of a change
in controlling interest to qualify for the exemption
from the conveyance tax;
- (2) Requiring a spouse to be considered a separate person
when determining ownership for tax exemption purposes;



- (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. 345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 345, H.D. 1, and be referred to the Committee on Finance.

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



MARK J. HASHEM, Chair



