

JUSTIFICATION SHEET

DEPARTMENT: Hawaiian Home Lands

TITLE: A BILL FOR AN ACT RELATING TO HOUSING.

PURPOSE: To exempt any development of homestead lots or housing for the Department of Hawaiian Home Lands from general excise and use taxes.

MEANS: Add a new section to chapter 237 and amend section 238-3(j), Hawaii Revised Statutes.

JUSTIFICATION: The savings resulting from the exemption from general excise and use taxes that the Department of Hawaiian Home Lands can potentially accrue from this measure would be applied to the development of additional housing and associated infrastructure. This additional saving would allow the Department to more fully commit the funding received toward its mission, development of more homestead lots or housing units for beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended.

Impact on the public: This bill further protects the interest of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended, by exempting any development of homestead lots or housing for the Department of Hawaiian Home Lands from general excise and use taxes.

Impact on the department and other agencies: More funding could be allocated toward the development of homestead lots or housing.

GENERAL FUND: \$1,000,000 is the estimated amount of lost tax revenue.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HHL 625.

OTHER AFFECTED
AGENCIES:

Department of Taxation and Department of
Budget and Finance.

EFFECTIVE DATE:

January 1, 2025.