

I **STRONGLY SUPPORT HB1746/SB2135**, which promotes the economic self-sufficiency and housing security of low-income residents and families, by providing tax incentives for those participating in financial literacy and housing savings account programs. Individual Housing Accounts (IHAs) administered by banks, community development financial institutions (CDFIs), and other institutions have proven to help participants achieve their goals of purchasing their first home or securing rental housing.

This measure would encourage more Hawai'i families to participate in IHA programs by expanding the adjusted gross income (AGI) deduction categories to include CDFI-administered IHAs and Rental IHAs. Additionally, this bill would update the original AGI deduction limits to better reflect and accommodate the current costs of making a down payment or obtaining rental housing in Hawai'i. This bill would also remove current provisions that deter participation in IHAs by taxing savings when they are disbursed from the account.

Through increased incentives and supported asset-building, this measure helps to stabilize Hawai'i's middle-class and assists families in securing better financial futures. Therefore, I respectfully urge the Committee to **PASS HB1746/SB2135**.