

STAND. COM. REP. NO.

131

Honolulu, Hawaii

FEB 09 2007

RE: S.B. No. 1197

S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 1197 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish an income tax credit for taxpayers who make modifications to their homes to increase accessibility for individuals with disabilities.

The Disability and Communication Access Board, AARP Hawaii, and the Hawaii Aging Advocates Coalition submitted testimony in support of this measure. The Department of Taxation submitted comments.

Your Committee finds that enabling elderly individuals to age-in-place, in their own or their families' homes, will allow them to live happier, healthier lives. However, caring for an elderly individual in the home often necessitates that accommodations or modifications be made to increase accessibility and facilitate caregiving responsibilities. For instance, ramps may be necessary for wheelchair accessibility or grab-bars may be necessary in a bathtub. These types of home modifications can be costly. However, it would be more costly to move an elderly or disabled individual to a facility, and facility accommodations are limited.

It is the Committee's intent to avoid enabling a taxpayer to deduct the cost of retrofitting a home as a medical expense for

2007-1468 SSCR SMA.doc



both Hawaii and federal income tax purposes. So, upon further consideration, your Committee has amended this measure by:

- (1) Providing that if a taxpayer claims a similar tax credit or deduction for state or federal income tax purposes, no tax credit can be claimed under this measure; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

The Department of Taxation testified that it was unable to determine the fiscal impact of the measure since the amount of the tax credit is unspecified.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be referred to the Committee on Economic Development and Taxation.


Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Public Housing,


SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:* SB 1197	Committee Referral: HSP, EDT, WAM	Date: 2-6-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
SAKAMOTO, Norman				✓
HEMMINGS, Fred	✓			
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes