

STAND. COM. REP. NO.

2029

Honolulu, Hawaii

FEB. 04 2008

RE: S.B. No. 2049
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 2049 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide a tax credit to taxpayer caregivers who care for qualified care recipients.

Testimony in support of this measure was submitted by the Policy Advisory Board for Elder Affairs, the University of Hawaii Public Policy Center, and ILWU Local 142. Testimony supporting the intent of this measure was submitted by the Disability and Communication Access Board. Comments on the measure were submitted by the Department of Taxation (Department), the Executive Office on Aging, the Maui County Council on Aging, and the Tax Foundation of Hawaii.

Your Committee finds that more and more responsibility is falling upon families to care for the elderly and the disabled, and that it is critical that policies, including tax credits, are enacted to ease the burden on caregivers.

Your Committee has amended this measure by:

- (1) Incorporating the comments made by the Department of Taxation to add a clause defining "net income tax" liability, eliminate as unnecessary the subsection that allowed the Department to prepare necessary forms



related to the tax credit, add a provision that the Executive Office on Aging provide the Department with its caregiver materials for the Department to send to taxpayers in order to cure any confidentiality concerns, and add an appropriation of \$100,000 to the Department to facilitate the mailing requirement of Executive Office on Aging materials to taxpayers;

- (2) Addressing the comments made by the Executive Office on Aging by clarifying that the Executive Office on Aging shall provide materials on its caregiver services to the Department for dissemination directly to taxpayers who claim the caregiver credit;
- (3) Incorporating the comments made by the Policy Advisory Board for Elder Affairs by adding a provision that the Executive Office on Aging shall prepare a report evaluating the caregiver tax credit program after three years with the assistance of the Department for submittal to the Legislature prior to the convening of the 2011 regular session.
- (4) Addressing the comments made by the Department, the Executive Office on Aging, and Disability and Communication Access Board by amending the definition of "qualified care recipient" to, among other things, include persons with disabilities and special needs and persons who are "eighteen years of age or older", rather than sixty years of age or older; and
- (5) Making a technical, nonsubstantive amendment for the purpose of style.

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. 2049, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2049, 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

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 <u>2044</u>	Committee Referral: HSP, EDT, WAM	Date: 02-24-08
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:
 Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman				✓
HEMMINGS, Fred	✓			
TOTAL	3	0	0	2

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes