

STAND. COM. REP. NO. 2058

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 3111  
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. 3111 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide financial relief to families that provide care for children and dependents in Hawaii by providing an additional personal income tax exemption for any dependent age eighteen or younger for qualified families and by increasing the tax relief provided by the child and dependent care income tax credit.

Testimony in support of this measure was submitted by the Governor's Policy Office and the Department of Taxation.

Your Committee finds that taxpayers with children in Hawaii face a daunting challenge due to Hawaii's high cost of living. Children require items necessary to ensure their safety and growth, both physically and mentally. Parents are faced with providing these necessities for their children. Providing an additional exemption per child would help Hawaii's struggling families to cope with these expenses.

Your Committee further finds that Hawaii's high cost of living has forced a growing number of families and dependent providers to enter the workforce in order to make ends meet. The cost of childcare and elder-dependent care has skyrocketed because of the high demand for such services in Hawaii.

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Finally, your Committee finds that in many cases families must either work and pay for care services, or care for dependents themselves rather than working. Many of these families are on the verge of succumbing to poverty.

Your Committee recommends that future Committees hearing this measure consider targeting the beneficial tax relief of the ohana income tax exemption towards families living under or near the living wage level.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and 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. 3111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3111, 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.:*  | Committee Referral:      | Date:                   |                                  |         |
| SB 3111  | HSP EDT, WAM             | 2/2/08                  |                                  |         |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>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)   | ✓                        |                         |                                  |         |
| HOOSER, Gary L.  |                          |                         |                                  | ✓       |
| SAKAMOTO, Norman   | ✓                        |                         |                                  |         |
| HEMMINGS, Fred   | ✓                        |                         |                                  |         |
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| <b>TOTAL</b>   | 4                        | 0                       | 0                                | 1       |
| Recommendation:  |                          |                         |                                  |         |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |                          |                         |                                  |         |
| Chair's or Designee's Signature:   |                          |                         |                                  |         |
| Distribution:  |                          |                         |                                  |         |
| Original<br>File with Committee Report   | Yellow<br>Clerk's Office | Pink<br>Drafting Agency | Goldenrod<br>Committee File Copy |         |

\*Only one measure per Record of Votes