

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 741

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. 741 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to appropriate moneys to Aloha United Way to coordinate and administer the Family Economic Self Sufficiency Program, which focuses primarily on increasing individual filing and state revenue from the federal Earned Income Tax Credit under the direction of the Department of Labor and Industrial Relations, Office of Community Services.

Aloha United Way and the Hawai'i Alliance for Community-Based Economic Development submitted testimony in support of this measure.

Your Committee finds that the Family Economic Self Sufficiency Program provides free and confidential tax preparation services to households eligible for the federal Earned Income Tax Credit. The Internal Revenue Service and the United States Government Accountability Office estimate that approximately twenty-five per cent of the eligible federal Earned Income Tax Credit population did not claim this tax credit. This equates to over twenty-seven thousand Hawaii households that may be eligible for the federal Earned Income Tax Credit, but did not claim it on their returns. This leaves approximately \$45,000,000 of federal moneys unclaimed by Hawaii residents.



In the 2005 tax year, the total federal Earned Income Tax Credit for the free tax preparation sites assisted by the Family Economic Self Sufficiency Program totaled approximately \$1,500,000. In recognition of the level of filings during this first year, the target number of filings through free tax preparation sites for the 2006 tax year has been increased to one thousand five hundred. This measure will help the Family Economic Self Sufficiency Program reach that target number.

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. 741 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.


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 741	Committee Referral: HSP, WAM	Date: 2-13-07		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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