

STAND. COM. REP. NO. 255

Honolulu, Hawaii  
Feb 13, 2009

RE: H.B. No. 736

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 736 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide a refundable state earned income tax credit to qualified Hawaii taxpayers.

The tax credit would be equal to twenty per cent of the federal earned income tax credit and the refundable portion of the earned income tax credit would be reimbursed with temporary assistance for needy families funds.

Your Committee received testimony in support of the measure from the Hawaii Alliance for Community-Based Economic Development. The Department of Human Services submitted testimony opposed to this measure and the Department of Taxation submitted comments.

Your Committee finds that a state earned income tax credit is an important economic development tool for families that allows them to use the credit to purchase basic needs and build assets. Building assets fosters financial independence and encourages families to save and to ultimately attain financial success.

Your Committee also finds that utilizing temporary assistance for needy families funds to pay for the refundable portion of the tax credit will allow the State to maximize the use of such funds while supporting those most in need of financial assistance.



As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 736 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,

  
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JOHN M. MIZUNO, Chair



