

LINDA LINGLE
GOVERNOR



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February 5, 2009

LATE
Testimony

MEMORANDUM

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 333 - RELATING TO TAXATION**
Hearing: Thursday, February 5, 2009; 8:15 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of H.B. 333 is to create a state earned income tax credit funded initially with TANF funds and to also restrict the interest charged by tax preparers to clients who claim the earned income tax credit.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) defers to the Department of Taxation regarding the state earned income tax credit and the interest charged by tax preparers.

The Department also respectfully requests that the \$28.2 million in TANF Federal funds restricted in the current State fiscal year 2009 budget be restored for the biennium so that we can continue to fund the programs, services and benefits that have, among other positive outcomes, strengthened families and contributed to the reduction, by half, of child re-abuse and neglect since 2005. This is neither the time to freeze Federal funds nor divert Federal funds from the investment we have made that is working so well.

Thank you for the opportunity to provide comments on this bill.
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