

STAND. COM. REP. NO.

2313

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2179

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 2179 entitled:

"A BILL FOR AN ACT RELATING TO THE FEDERAL EARNED INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to require and appropriate funds to the Department of Taxation to coordinate an outreach initiative to increase awareness and use of the federal earned income tax credit.

Your Committee received testimony in support of this measure from the Department of Human Services; the Hawaii State Commission on the Status of Women; the Association of Hawaiian Civic Clubs; the Hawai'i Alliance for Community-Based Economic Development; the Office of Hawaiian Affairs; the Women's Caucus, Democratic Party of Hawai'i; and one individual. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the federal earned income tax credit is considered one of the nation's largest and most successful anti-poverty and work incentive programs. Your Committee also finds that although the federal earned income tax credit is widely known to reduce poverty with 104,000 families taking advantage of the federal earned income tax credit, another 19,000 families could claim the credit if they were aware of the program and their eligibility. It is estimated that Hawaii workers fail to claim between \$31,299,580 and \$41,732,301 in



federal earned income tax credit benefits annually. This measure will require the Department of Taxation to conduct an outreach initiative to educate families on the federal earned income tax credit and to appropriate funds to the Department to carry out the initiative.

Your Committee further finds that the Volunteer Income Tax Assistance Program offers free tax help to persons earning \$50,000 or less, who need assistance preparing their taxes and provides free basic income tax return preparation to qualified individuals in local communities. Therefore, your Committee requests the Department of Taxation to partner with the Volunteer Income Tax Assistance Program to carry out the outreach initiative.

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 S.B. No. 2179 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,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 2179	Committee Referral: HMS, WAM	Date: 2-14-12		
<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)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes