

The Twenty-Sixth Legislature  
Regular Session of 2012

**HOUSE OF REPRESENTATIVES**

Committee on Labor & Public Employment

Rep. Karl Rhoads, Chair

Rep. Kyle T. Yamashita, Vice Chair

Committee on Economic Revitalization & Business

Rep. Angus L.K. McKelvey, Chair

Rep. Isaac W. Choy, Vice Chair

State Capitol, Conference Room 309

Friday, January 27, 2012; 10:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 812  
RELATING TO UNEMPLOYMENT COMPENSATION**

The ILWU Local 142 supports H.B. 812, which temporarily exempts unemployment compensation from Hawaii income tax.

In the past several years, so many of Hawaii's residents have had to rely on unemployment insurance (UI) to support their families because of the downturn in the economy that resulted in loss of their jobs. Most of them have never applied for unemployment insurance before and are genuinely surprised that UI income is taxable, especially since the weekly benefit is often far less than their weekly earnings were.

Hawaii's economy is making a recovery, but we are not yet out of the woods. A temporary (five years) suspension of the tax on unemployment insurance benefits is warranted to provide additional stimulus to the economy. Every penny received in UI is put right back into the economy to pay for food, shelter, clothing, medical care, and other goods and services. That will help small businesses survive and keep families from having to rely on government assistance.

The ILWU urges passage of H.B. 812. Thank you for the opportunity to testify.