

LATE



**HB385 HD2**  
**RELATING TO HUMAN SERVICES**  
Senate Committee on Human Services

March 14, 2013

1:00pm

Conference Room 016

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB385 HD2, which would establish a refundable state Earned Income Tax Credit (EITC), and require the Department of Human Services to provide financial education to Temporary Assistance for Needy Families (TANF) applicants and recipients. OHA supports this bill as it fits within our strategic priority of improving the conditions of Native Hawaiians toward greater economic self-sufficiency.

**According to a 2011 American Community Survey (ACS) data report, 20.9% of Native Hawaiians with children live in poverty compared to 13.2% for the state.** Although there are many ways to address poverty, HB385 HD1 proposes a pragmatic and sure way to reform our tax system to benefit our neediest populations, while creating a mechanism to educate public assistance recipients to manage their finances, and on to the path of self-sufficiency.

The Institute on Taxation and Economic Policy (ITEP) is a non-profit, non-partisan research organization that works on federal, state, and local tax policy issues. **According to a report by ITEP, Hawai'i is one of the ten states with the highest taxes on the poor.** By establishing a state EITC and providing financial education to TANF recipients, we can address economic disparities in Hawai'i in a holistic and systemic way. Our neediest population would receive a meaningful refund through the state EITC, and individuals who are receiving public assistance through TANF would be provided the necessary tools and resources to manage their finances. At the same time, the refund would enable families to purchase basic necessities and contribute to Hawai'i's economy.

**Currently, there are 42 states that have an income tax and 24 of those states have enacted a state EITC.** To be eligible to receive a state EITC, an individual must utilize the federal EITC. The individual would receive a set percentage of what was claimed for the federal EITC. If the state EITC was 20% of the federal EITC, a family receiving a federal EITC of \$2500 would be refunded \$500 for the state EITC.

OHA urges this committee to **PASS** HB385 HD2. Mahalo nui for the opportunity to testify.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 13, 2013 4:53 PM  
**To:** HMS Testimony  
**Cc:** info@schha.com  
**Subject:** \*Submitted testimony for HB385 on Mar 14, 2013 13:00PM\*

**HB385**

Submitted on: 3/13/2013

Testimony for HMS on Mar 14, 2013 13:00PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Annie Au Hoon	Individual	Support	No

Comments:

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 14, 2013 8:32 AM  
**To:** HMS Testimony  
**Cc:** debbieteixeira@gmail.com  
**Subject:** \*Submitted testimony for HB385 on Mar 14, 2013 13:00PM\*

**HB385**

Submitted on: 3/14/2013

Testimony for HMS on Mar 14, 2013 13:00PM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Deborah Teixeira	Individual	Support	No

Comments:

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