

LATE

To: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice-Chair
Representative Aaron Ling Johanson, Vice-Chair
House Committee on Finance

From: Liz Chun, Early Education Policy Consultant

Date: Thursday, February 21, 2013, 11:00 am
Conference Room 308

Subject: HB 385 HD1, RELATING TO Earned Income Tax Credit

I submit this testimony **in strong support of HB 385 HD1, Relating to Earned Income Tax Credit (EITC.)** Hawaii must recognize and be deeply concerned about the ability of our low-income families to afford the necessities of life. Families with young children would especially benefit from such a tax credit. A refundable state earned income tax credit will accomplish three important goals.

First, an EITC provides concentrated tax relief for the working families in Hawaii who need it most. These refundable credits will be re-circulated in the local economy as families use them to meet day-to-day needs (Center on Budget and Policy Priorities, 2003).

Second, an EITC provides incentives for low-income earners to stay employed and to increase their incomes. History proves that these incentives work (Center for Policy Alternatives, 2000). In 2009 alone, the federal EITC helped raise over three million children from six million families out of poverty.

Third, an EITC helps compensate for Hawaii's regressive general excise tax which has the poorest fifth of the population paying 10% of their incomes in GET while the richest pay only 2% (Institute of Taxation and Economic Policy, 2003).

Currently 25 states, the District of Columbia have enacted EITCs to promote tax fairness and raise their children and families from poverty. The EITC can:

- Raise parental employment levels, lift family incomes and improve school achievement for elementary school and preschool-age children according to evaluations of programs that include employment-based fiscal incentives like the EITC.
- Stimulate the economy at the state level by providing significant relief to low-income working families.

Hawaii will be stronger when it provides adequate supports to help struggling families move toward empowerment and self-sufficiency. I strongly urge the passage of this progressive and proven legislation.

Contact Information: lizchun@hawaii.rr.com

FINTestimony

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 12:56 AM
To: FINTestimony
Cc: foxhawaii2010@yahoo.com
Subject: Submitted testimony for HB385 on Feb 21, 2013 11:00AM

HB385

Submitted on: 2/21/2013

Testimony for FIN on Feb 21, 2013 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Sims	Individual	Support	No

Comments: I support HB385 which will establish a refundable earned income tax credit and have the department of human services provide financial education to applicants and recipients of TANF. This measure will help to reduce continued public assistance, as welfare recipients become financially sound. Lisa Sims Hawaii Resident

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HB385

Submitted on: 2/21/2013

Testimony for FIN on Feb 21, 2013 11:00AM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S. Freed	Hawai`i Women's Coalition	Support	No

Comments: The Hawai`i Women's Coalition is a long-time support of a state earned-income-tax credit for Hawaii's low-income families. We believe it is an idea whose time has finally come. It would provide welcome relief to those too-many of our people who have suffered in the continuing national financial crisis. Ann S. Freed Co-Chair, Hawai`i Women's Coalition Mililani, Hawai`i

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