

Honolulu, Hawaii

MAR 20 2013

RE: H.B. No. 385
H.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred H.B. No. 385, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HUMAN SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to enhance asset-building and financial security for Hawaii residents and increase their financial education by:

- (1) Enacting a refundable state earned income tax credit;
- (2) Requiring the Department of Human Services to offer financial education to applicants for and recipients of Temporary Assistance for Needy Families; and
- (3) Appropriating funds for financial education to Temporary Assistance for Needy Families applicants and recipients.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Community Alliance on Prisons; Goodwill Industries of Hawaii, Inc.; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Catholic Conference; National Community Tax Coalition; Partners in Care; PHOCUSED; and three individuals. Your Committee received comments on this measure from the Department of Human Services, Department of Taxation, and Tax Foundation of Hawaii.



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Your Committee finds that a refundable earned income tax credit is essential to ensuring that people who work are able to make ends meet. The tax credit is a good way to help families that experience temporary job loss, reduced hours, or reduced pay. State earned income tax credits help ensure that people who work hard are able to meet basic needs, support their families, and stay off welfare. Currently, twenty-five states and the District of Columbia have enacted a state earned income tax credit, and nearly all twenty-five states calculate the value of the state credit as a percentage of the federal earned income tax credit amount, which is also a refundable income tax credit. This measure would assist the needs of many struggling families and financially educate them to help build their assets.

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 H.B. No. 385, H.D. 2, 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,

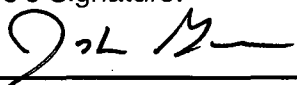


SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* HB 385, HD 2	Committee Referral: HMS, WAM	Date: 3/14/13		
<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)	✓			
GREEN, Josh (VC)	✓			
KIDANI, Michelle N.				✓
TANIGUCHI, Brian T.				✓
SLOM, Sam	✓			
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes