

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2205
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 2205, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to ease some of the financial burden on low- and moderate-income working families by creating a state earned income tax credit equal to 10 percent of the taxpayer's federal earned income tax credit.

The Hawai'i State Democratic Women's Caucus, Hawaii State Commission on the Status of Women, League of Women Voters of Hawaii, Aloha United Way, Catholic Charities Hawai'i, Partners in Care, PHOCUSED, Hawai'i Appleseed Center for Law and Economic Justice, Americans for Democratic Action of Hawai'i, Hawai'i Alliance for Community-Based Economic Development, ILWU Local 142, Goodwill Industries of Hawaii, Hawaii Catholic Conference, Office of Hawaiian Affairs, Hawaii Women's Coalition, and several concerned individuals testified in support of this measure. A concerned individual opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments on this measure.



Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2080, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Although there were numerous questions raised regarding the income tax credit contained in this measure, your Committee finds that the potential benefits to low- and moderate-income families deserve further consideration. As such, your Committee requests your Committee on Finance to continue this discussion should your Committee on Finance choose to hear this measure.

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. 2205, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2205, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,


MELE CARROLL, Chair



