

NEIL ABERCROMBIE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

FREDERICK D. PABLO  
DIRECTOR OF TAXATION

JOSHUA WISCH  
DEPUTY DIRECTOR

To: The Honorable David Y. Ige, Chair  
and Members of the Senate Committee on Ways and Means

Date: Thursday, March 20, 2014  
Time: 9:00 a.m.  
Place: Conference Room 211, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

Re: H.B. 1719, H.D. 1, Relating to Taxation

The Department of Taxation (Department) appreciates the intent of H.B. 1719, H.D. 1 and provides the following information and comments for your consideration.

H.B. 1719, H.D. 1, creates an income tax credit to eliminate the income tax liability of taxpayers with a federal adjusted gross income (FAGI) of less than 100% of the federal poverty guidelines and to reduce by half the income tax liability of taxpayers with a FAGI of 100 to 125% of federal poverty guidelines. H.B. 1719, H.D. 1, if it should become law, would become effective July 1, 2030 and would apply to taxable years beginning after December 31, 2013. H.D. 1 has a defective effective date of July 1, 2030.

First, the Department notes that using the "federal poverty guidelines" as a limitation for a tax credit is very difficult for the Department to administer. It is the Department's understanding that the applicable "federal poverty guidelines" depends on the household size. It is also the Department's understanding that what is considered a household for purposes of the federal poverty guidelines may differ from who may file jointly and who may be claimed as a dependent for tax purposes.

The Department suggests that the income limitation be stated as a fixed amount for each filing status, by which an eligible taxpayer's FAGI and Hawaii adjusted gross income (HAGI) may not exceed. Such an amendment will relieve the inconsistency inherent in using federal poverty guidelines along with FAGI. The suggested amendment will also relieve the Department of implementing annual adjustments to the federal poverty guidelines.

Second, while the Department appreciates the desire to provide tax relief for taxpayers falling below federal poverty guidelines, the Department notes that the tax structure is not the most efficient means of providing or determining who is in need of financial support.

For example, the FAGI also takes into account any reduction of income due to business loss, capital loss, depreciation, and other allowable deductions. Taxpayers with low federal AGI may not necessarily be financially disadvantaged. As a result, a taxpayer's FAGI might fall below federal poverty guidelines due to a large capital loss or due to depreciation of various types of held property, not necessarily because the taxpayer is financially disadvantaged.

The Department also notes that the FAGI excludes amounts such as cost-of-living allowances for federal employees, contributions to the State employees' retirement system, and interest on out-of-state bonds; whereas HAGI captures those income sources. On the other hand, FAGI excludes certain pensions, social security benefits, first \$5,881 of military reserve or Hawaii National Guard duty pay, payments to an individual housing account and other subtractions from Federal adjusted gross income. Thus, as stated above, the Department suggests requiring a taxpayer to meet the FAGI and HAGI income threshold in order to qualify for the credit.

Third, the Department notes that the State already provides relief to low and middle income taxpayers in the forms of income tax credits such as the refundable food/excise tax credit (food credit)<sup>1</sup> and the income tax credit for low-income household renters (renters' credit)<sup>2</sup>. The food credit is a graduated amount based on income level, which is determined by the FAGI and the number of qualified exemptions, ranges from \$85 to \$25 per exemption for taxpayers with income under \$50,000. The renter's credit is \$50 per exemption for taxpayers with HAGI under \$30,000; provided that each taxpayer 65 years of age or over may claim double the tax credit. Modifications to these current credits would be substantially easier for the Department to administer.

Finally, if the Committee wishes to advance this measure, the Department requests the effective date of the bill be amended to apply to tax years beginning after December 31, 2014, or later to provide the Department with sufficient time to make the required form and instruction modifications.

Thank you for the opportunity to provide comments.

---

<sup>1</sup> Act 211, Session Laws of Hawaii (SLH) 2007, replaces the low-income refundable tax credit with the refundable food/excise tax credit and increases the amount of the credit.

<sup>2</sup> Act 15, SLH 1977, establishes the renters' credit. The amount of the credit was \$20 per qualified exemption for each taxpayer with an adjusted gross income of less than \$20,000. Act 230, SLH 1981, increases the amount of the credit to \$50 per qualified exemption. Act 321, SLH 1989, increases the income threshold for the credit to less than \$30,000. Act 98, SLH 1990, makes the credit refundable (provides the credit to resident taxpayer who has no taxable income).



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

**Board of Directors**

*Howard Garval, Chair  
Nanci Kreidman, Vice Chair  
Joanne Lundstrom, Vice Chair  
Jerry Rauckhorst, Treasurer  
Liz Chun, Secretary  
Susan Chandler  
Jan Dill  
Victor Geminiani  
Auli'i George  
Marya Grambs  
John McComas  
Robert Naniole  
Ruthann Quitiquit  
Darcie Scharfenstein  
Alan Shinn  
Laura Smith*

TO: Senator David Y. Ige, Chair  
Senator Michelle N. Kidani, Vice Chair  
Members, Committee on Ways & Means

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: Senate Committee on Ways & Means  
**Thursday, March 20, 2014 at 9:00 a.m. in Conf. Rm. 211**

**Testimony in Support of HB1719 HD1, Relating to Income Tax.**

Thank you for the opportunity to provide testimony in **strong support** of HB1719, which would establish a low income tax credit. PHOCUSED is a coalition of health, housing, human services agencies and individual advocates committed to strengthening policies and programs to support the marginalized and underserved in Hawaii.

Households in Hawaii experience the highest cost of living in the nation – paying more for food, utilities and shelter than comparable families on the mainland. And, they pay these elevated costs while earning the lowest adjusted income among all of the mainland states. Hawaii's poverty rate of 17.3% makes Hawaii the 9<sup>th</sup> poorest State in the nation according to 2012 U.S. Census Bureau data. Despite this, Hawaii's families in poverty also pay a larger share of their income in taxes than those in all but 3 other states.

A low income tax credit would eliminate tax liability for households living in poverty, and would reduce it by half for those at 100-125% of federal poverty guidelines. Without such a credit, Hawaii's working families are essentially pushed deeper into poverty by taxes, which may increase their reliance on publicly funded social services.

Once again, PHOCUSED strongly urges your **strong support** of HB1719. We appreciate the opportunity to testify. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at [admin@phocused-hawaii.org](mailto:admin@phocused-hawaii.org).



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN SUPPORT OF HB 1719, HD1: Relating to Taxation

TO: Senator David Ige, Chair, Senator Michelle Kidani, Vice Chair, Members, Committee on Ways and Means

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawaii

**Hearing: Thursday, March 20, 2014, 9:00 am, Conference Room 211**

Thank you for the opportunity to testify in support of HB 1719, HD1 which eliminates state income tax liability for those with a federal adjusted gross income of less than 100% of federal poverty level and reduces it by half for those with a federal adjusted gross income of 100% to 125% of the federal poverty level.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. This bill speaks directly to our advocacy priority of reducing poverty in Hawai'i.

Hawai'i's high cost of living, including the highest cost of shelter in the country<sup>1</sup> and food costs for a family of four at 68% more than the mainland<sup>2</sup>, makes living with a low-income very difficult. Not only are these people spending a high percentage of their income on basic living expenses but also on the regressive General Excise Tax (GET). The nature of Hawai'i's broad-based GET is such that the lower one's income is, the higher a percentage of it goes to paying GET.

Expecting these people to pay income tax as they struggle to stay sheltered and maintain nutrition is inhumane and unreasonable. Anyone earning the income required to benefit from this tax credit is earning far below a living wage and unable to afford all of the basic living expenses of rent, food and transportation. Taxing them further into poverty as we currently do will require them to seek public, charitable, or other assistance.

Allowing low-income workers to keep more of the wages they earn gives them a hand up rather than a hand-out. For example, a family of three earning the federal poverty level income of \$22,470 in 2013 would have a Hawai'i state income tax liability of \$497. With this policy established, that family can put that \$497 back into the economy through purchase of food and household goods and be better able to meet their own needs.

Thank you for the opportunity to testify. Please contact me at (808)527-4810 or [trisha.kajimura@catholiccharitieshawaii.org](mailto:trisha.kajimura@catholiccharitieshawaii.org) if you have any questions.

---

<sup>1</sup> Hawaii 2013 State Housing Profile, National Low Income Housing Coalition. <http://nlihc.org/sites/default/files/SHP-HI.pdf>.

<sup>2</sup> Based on the U.S. Department of Agriculture's Thrifty Food Plan, which is used as the basis for Supplemental Nutrition Assistance Program benefits. See <http://www.cnpp.usda.gov/usdafoodplanscostoffood.htm>.

The Twenty-Seventh Legislature  
Regular Session of 2014

THE SENATE

Committee on Ways and Means

Senator David Y. Ige, Chair

Senator Michelle N. Kidani, Vice Chair

Hawaii State Capitol, Conference Room 211

Thursday, March 20, 2014; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1719, HD1  
RELATING TO TAXATION**

The ILWU Local 142 supports H.B. 1719, HD1, which reduces the income tax liability for low-income taxpayers by creating a tax credit that will eliminate a taxpayer's income tax liability by 50% if the taxpayer's federal adjusted gross income falls below 100 to 125% of federal poverty guidelines.

Income inequality in this nation and in this state continues to grow. The rich get richer largely because they are able to accumulate assets that can be invested to make more money while the poor and middle-income folks need all of their income to eke out a living for themselves and their families and have nothing left to save. Lower income workers in Hawaii and elsewhere spend every last dime of their income to pay for food, medical costs, housing, and other necessities. They are the ones helping to keep this economy running by patronizing grocery stores, retail outlets, restaurant, car repair shops and the like for goods and services needed for their families.

The State is in a position to assist low-income wage earners by reducing their tax liability. While some may argue that this proposal is unworkable because the State needs all the revenue it can get, especially given the Council of Revenues' recent adjustment of its revenue projections, it really does make sense to relieve the tax burden of low wage earners.

First of all, the tax adjustment will not eliminate their tax liability entirely but reduce it if their income is below 125% of the federal poverty guidelines for Hawaii. For 2014, that would mean reducing income tax by half for those earning \$16,775 or less. This calculates to about \$1,400 a month, fairly low by any standard.

Secondly, helping to put more money into a low wage earner's pocket means that they will have more to spend on the necessities they need to live and not need to rely on food stamps, QUEST, or free or reduced lunch for their kids. Despite their wages, low wage earners will be farther along toward becoming self-sufficient.

The ILWU urges passage of H.B. 1719, HD1. Thank you for the opportunity to share our views on this matter.



## PARTNERS IN CARE Oahu's Coalition of Homeless Providers

---

### TESTIMONY IN SUPPORT OF HB 1719: RELATING TO TAXATION

TO: Sen. David Ige, Chair; Sen. Michelle Kidani, Vice Chair; and members of the Senate Committee on Ways and Means

FROM: Peter K. Mattoon, Advocacy Committee Co-Chair, Partners In Care

Hearing: **Thursday, March 20, 2014, 9:00 AM, Room 211**

Dear Chair Ige, Vice Chair Kidani, and committee members:

Thank you for the opportunity to provide testimony in **strong support** of House Bill 1719, to eliminate income tax liability on households below the federal poverty guidelines and to reduce liability by half for households at 100 to 125 percent of poverty. I am Peter K. Mattoon, and I am an Advocacy Committee Co-Chair for Partners In Care, a coalition of care providers focusing on the needs of homeless persons and strategies to end homelessness. We support this policy to help prevent low-income people from becoming homeless and to aid those transitioning out of homelessness to keep more of their earnings.

Homelessness is a pressing social crisis, and Hawai'i has the highest rate of homelessness in the nation. Many factors contributing to chronic, individual, and family homelessness. But for many households, especially families, their low income relative to the high cost of living—which is twice the national average—means they can barely make ends meet and are at risk of or actually end up homeless. Low-income families, especially those in poverty, struggle just to pay for necessities, including shelter, with virtually none left over to save for a rainy day. We also see households who have worked hard to get their lives back on track and find employment struggle to find affordable housing. As a result, these households who are ready to work and live in permanent housing are stuck in transitional housing because they cannot afford market rents. Unsurprisingly, many of our low-income families are severely cost-burdened—three out of four extremely low-income households are paying more than *half* of their income toward rent. In light of these major economic challenges, we should not make matters worse by taxing households in poverty, and we should provide tax relief to those close to the poverty guidelines.

Partners In Care supports this tax credit as a way to prevent homelessness and help working households transition out of homelessness by keeping more of what they earn. We should not be taxing people deeper into poverty, especially when these are the very households who are at risk of homelessness. Becoming homeless is a traumatic experience with lasting effects and requires costly social services. This bill will help families at risk of homelessness to stay housed, and help those who are currently homeless to become more financially secure and move into stable housing. Again, thank you for the opportunity to testify in **strong support** of HB 1719.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700  
Honolulu, Hawai'i 96817

---

*Partners In Care is a membership organization of homeless service providers, other service professionals, units of local and state government, homeless consumers, and other community representatives located in Hawai'i on Oahu. It is a planning, coordinating, and advocacy body that develops recommendations for programs and services to fill gaps in the Continuum of Care on Oahu.*

**Board of Directors**

Sherry Broder, Esq.  
David Derauf, M.D.  
Naomi C. Fujimoto, Esq.  
Patrick Gardner, Esq.  
John H. Johnson  
Nathan Nelson, Esq.  
David J. Reber, Esq.

**Executive Director**

Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting HB 1719 Relating to Taxation  
Senate Committee on Ways and Means  
Scheduled for Hearing Thursday, March 20, 2014, 9:00 AM, Room 211

---

*Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.*

---

Thank you for the opportunity to testify in **strong support** of House Bill 1719, which would create a low income tax credit that would eliminate state income tax liability on households living below the federal poverty guidelines. It would also provide a credit to reduce income tax liability by 50 percent for households living at 100–125 percent of the guidelines.

We should be supporting our low-income workers instead of driving them deeper into poverty through income taxes. But right now, we do just that. Hawai'i is one of only fifteen states that tax the income of those living below the poverty guidelines according to the Center on Budget and Policy Priorities. And based on the Institute on Taxation and Economic Policy's analysis, when all state and local taxes are figured in, we tax our families in poverty more heavily than all but three other states. One out of ten households in Hawai'i live below the official poverty guidelines, and our child poverty rate is 17 percent. Under the U.S. Census's Supplemental Poverty Measure, which adjusts for the cost of living and availability of government assistance, we are the **8<sup>th</sup> poorest state**, with over 17 percent of all households living in poverty.

Poverty's myriad negative effects on the well-being of individuals, families, children, and communities are all too apparent. The impact of poverty includes hunger, homelessness, poor health, lost educational opportunities, higher crime rates, and reduced productivity. These consequences not only weaken our communities but result in increased public expenditures for the social services needed to remedy the problems arising from poverty. Taxing those who are in poverty makes it more likely that they will remain poor and is an inefficient policy.

Creating a low-income tax credit that eliminates the burden Hawai'i state income taxes place upon poor wage-earners will help mitigate the effects of our high cost of living and relatively low wages. In almost all cases, only the working poor will be able to claim this credit. We also favorably note that the reduction of income tax liability by 50 percent for those living just over the poverty guidelines will prevent a steep tax cliff for these households. As the supplemental poverty measure indicates, even families above the poverty guidelines face significant economic hardship.

Again, thank you for the opportunity to testify in **support** of HB 1719. We respectfully urge you to pass this bill so we can help our working families to achieve financial security instead of inhibiting it.





**Board Members**

*President*  
Jason Okuhama  
Managing Partner,  
Commercial & Business Lending

*Vice President*  
Rian Dubach  
Vice President, Corporate Banking  
American Savings Bank

*Secretary/Treasurer*  
Wayne Tanna  
Asset Building Coalition &  
Chaminade University

**HACBED Staff**

Brent N. Kakesako  
*Executive Director*

Keoki Noji  
*Chief Operating Officer*

Susan Tamanaha  
*Family & Individual Self-  
Sufficiency Program Director*

Athena T. Esene  
*Bookkeeper & Office Manager*

Mika Okuno  
*Planning & Research Associate*

Ben Costigan  
*AmeriCorps Vista*

Date: March 18, 2014

To: Senator David Y. Ige, Chair, Senator Michelle N. Kidani, Vice-Chair, and members of the Committee on Ways and Means

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)

Re: Strong Support for HB 1719 HD1

Aloha Chair Ige, Vice-Chair Kidani, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB 1719 HD1, which establishes a tax credit to eliminate income taxes for those living in poverty.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map. As such, HACBED strongly supports the proposed bill that would eliminate personal income tax liability for any family in poverty while also reducing tax liability for families just above the poverty line.

The Family Economic Self-Sufficiency Standard (FESS) further depicts the obstacles that Hawai'i families are facing. The FESS measures the amount of money that individuals and families require to meet their basic needs without government and/or other subsidies and the data shows the following percentage of families who fall below the self-sufficiency standard statewide:

- 25.9% of families with two adults and two children;
- 77.3% of single-adult families with one child; and
- 74.3% of single-adult families with two children.

Eliminating taxes for families living below the poverty guidelines while reducing it in half for families at the 100-125% guidelines would provide an immediate lift for these families to pull themselves out of a financial crisis, smooth out fluctuations in family finances, and build on-going assets. Since 2006, HACBED has served 16,871 low to moderate income families, saved them \$2.7 million in filing fees, helped to claim \$23.7 million in refunds, and brought \$12.8 million in new federal funds to the State of Hawai'i through claiming the federal EITC and Child Tax Credit (CTC) as part of the Family & Individual Self-Sufficiency Program (FISSP).



HB 1719 HD1 - Testimony in Support  
*March 18, 2014 - Page 2*

Through the FISSP surveys, families have indicated that they have used the money to: manage daily expenses, eliminate debt, open and maintain savings accounts, purchase a new home, cover education costs, and start a business. The passage of HB 1717 HD1 would thus go a long way to supplement the needs of these by eliminating or greatly reducing taxes on families below or near the poverty line to assist them in their efforts to truly build their assets.

Mahalo for this opportunity to testify,

Brent N. Kakesako  
Executive Director  
Hawai'i Alliance for Community-Based Economic Development

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [amymonk99@hotmail.com](mailto:amymonk99@hotmail.com)  
**Subject:** \*Submitted testimony for HB1719 on Mar 20, 2014 09:00AM\*  
**Date:** Monday, March 17, 2014 4:01:00 PM

---

**HB1719**

Submitted on: 3/17/2014

Testimony for WAM on Mar 20, 2014 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Amy Monk	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Low-income tax credit

BILL NUMBER: HB 1719, HD-1

INTRODUCED BY: House Committee on Finance

**EXECUTIVE SUMMARY:** Proposes a low-income tax credit which would effectively eliminate any state income tax that might be due depending on a taxpayer's federal adjusted gross income. A simpler approach would be to establish a higher filing threshold based on the combination of the standard deduction and personal exemption equaling or exceeding the federal poverty guidelines.

**BRIEF SUMMARY:** Adds a new section to HRS chapter 235 to provide that low-income taxpayers shall be eligible for a tax credit to reduce their state income tax liability by 50% if a taxpayer has a federal adjusted gross income (FAGI) between one hundred and one hundred twenty-five percent of the federal poverty guidelines. Taxpayers with a FAGI at or below the federal poverty guidelines shall receive a credit that eliminates their income tax liability. Taxpayers with income above one hundred twenty-five percent of the federal poverty guidelines shall be ineligible for the credit.

Defines "federal poverty guidelines" as the guidelines set forth by the U.S. Department of Health and Human Services each year for Hawaii.

Requires claims for a tax credit, including amended claims, to be filed on or before the end of the twelfth month following the close of the taxable year for which the tax credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

Directs the director of taxation to prepare any forms that may be necessary to claim a credit and also requires the taxpayer to furnish information to ascertain the validity of the claim for the tax credit.

**EFFECTIVE DATE:** July 1, 2030; applicable to tax years beginning after December 31, 2013

**STAFF COMMENTS:** This measure proposes a low-income tax credit which would effectively eliminate any state income tax that might be due if the taxpayer's federal adjusted gross income falls below the federal poverty guidelines or if the taxpayer's income falls between 100% and 125% of the federal poverty guidelines the amount of the tax credit will be equal to 50% of the taxpayer's calculated state income tax liability. Those poverty guidelines will differ depending on the size of the family unit.

Although this might sound like a great strategy to address the fact that Hawaii's threshold for the state income tax is one of the lowest in the nation of those states that impose an income tax, the solution in this bill would seem to be unduly complex. The taxpayer would have to calculate federal adjusted gross income, then compare that with the federal poverty guidelines and then if the federal adjusted gross income is more than the federal poverty guidelines but less than 125% of the federal poverty guidelines, the taxpayer would then have to calculate state taxable income and state tax liability in order to

determine what 50% of that liability would be or the amount of the credit that could be claimed. If the taxpayer fails to do so, or if the taxpayer doesn't file a return thinking that there will be no tax due for the year, the taxpayer will find that the credit disappears, resulting in tax due plus penalties and interest.

The other point to consider is that the adoption of this measure ignores some of the unique features of Hawaii's income tax law. For example, the state income tax extends a credit for general excise taxes paid based on state adjusted gross income. Some of the major differences between the definition of adjusted gross income for federal and state purposes are the taxation of Social Security and employer-funded pension payments. These sources of income may lift some state taxpayers above the federal poverty line whereas exclusion of these sources of income may currently place the same taxpayer in a position where no state income taxes are currently owed. This may create disparities where lawmakers did not expect them.

If the policy concern here is that we don't want those taxpayers whose available income falls below the federal poverty guidelines to pay state income taxes, then the more appropriate approach is to establish a higher filing threshold (namely, the amount of income you need to make before an income tax return is required to be filed) based on the combination of the standard deduction and personal exemption equaling or exceeding the federal poverty guidelines.

Digested 3/18/14