

SB 2834

Measure Title: RELATING TO TAX CREDITS.

Report Title: Taxation; Refundable Food/Excise Tax Credit

Description: Doubles the refundable food/excise tax credit amount for each taxpayer who is sixty-five years of age or older.

Companion: [HB2284](#)

Package: Governor

Current Referral: HMS, WAM

Introducer(s): KIM (Introduced by request of another party)



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Written testimony in **support** of SB2834
Relating to Tax Credits

Committee on Human Services
Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair

February 6, 2014
1:45 pm Room 016

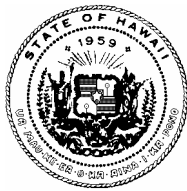
Chair Chun Oakland, Vice-Chair Green, and members of the Human Services Committee:

The Office of the Governor submits written testimony in **support** of Senate Bill 2834, Relating to Tax Credits. This measure doubles the refundable food/excise tax credit amount for each taxpayer who is sixty-five years of age or older.

This should benefit an estimate 110,000 Hawaii residents annually.

The Department of Taxation is available to provide additional information.

Thank you for the opportunity to submit testimony.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 6, 2014

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2834 - RELATING TO TAX CREDITS**

Hearing: Thursday, February 6, 2014; 1:45 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to double the refundable food/excise tax credit amount for each taxpayer who is sixty-five years of age or older.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill that will bring tax relief to our senior citizens who struggle to make ends meet. Many of our growing population of seniors live on fixed incomes that may cause them to choose between food, housing, and medical care. Any relief we can provide to enable them to live healthy and independently is the right thing to do.

Thank you for the opportunity to provide testimony on this bill.

NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



FREDERICK D. PABLO
DIRECTOR OF TAXATION

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DEPARTMENT OF TAXATION
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To: The Honorable Suzanne Chun Oakland, Chair
and Members of the Senate Committee on Human Services

Date: Tuesday, February 06, 2014
Time: 1:45 p.m.
Place: Conference Room 016, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: S.B. No. 2834, Relating to Tax Credits

The Department of Taxation (Department) strongly supports S.B. 2834, an Administration measure, to support Hawaii's seniors.

S.B. 2834 doubles the refundable food/excise tax credit for taxpayers 65 years of age or older. The credit would still be phased out as the taxpayer's adjusted gross income increases; however, the credit itself would be increased by allowing a taxpayer 65 years of age or older to claim double the credit for him or herself.

The Department notes that the mechanism for increasing the tax credit can be added to the forms and instructions with minimal change. The income tax credit for low-income renters under section 235-55.7, Hawaii Revised Statutes, currently contains the same calculation mechanism, which is based on the number of allowable personal exemptions. Taxpayers who are 65 years of age or older are allowed two exemptions for Hawaii income tax purposes.

Thank you for the opportunity to provide comments in support of SB 2834.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Increase food/excise tax credit

BILL NUMBER: SB 2834; HB 2284 (Identical)

INTRODUCED BY: SB by Kim by request; HB by Souki by request

BRIEF SUMMARY: Amends HRS section 235-55.85 to allow taxpayers who are age 65 or older to claim double the food/excise tax credit for tax years beginning after December 31, 2014.

EFFECTIVE DATE: Tax years beginning after December 31, 2014

STAFF COMMENTS: This is an administration measure submitted by the office of the governor GOV-10 (14). Currently, the food/excise tax credit is inversely graduated and available to taxpayers with adjusted gross incomes (AGI) of under \$5,000 receiving \$85, while taxpayers with AGI under \$50,000 receiving \$25. This measure will allow taxpayers age 65 and older to claim double the food/excise tax credit, thereby granting an additional tax preference to these taxpayers solely on age without regard to their tax burden. From a policy perspective, it is unclear why taxpayers age 65 and older deserve this relief while young taxpayers, also struggling to make ends meet, would not.

Digested 2/5/14



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Human Services
The Hon. Suzanne Chun Oakland, Chair
The Hon. Josh Green, Vice Chair

Testimony in Support of Senate Bill 2834
Relating to Tax Credits
Submitted by Robert Hirokawa, Chief Executive Officer
February 6, 2014, 1:45 pm, Room 016

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports Senate Bill 2834, doubling the food/excise tax credit for taxpayers 65 years of age and older.

The HPCA is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. These conditions serve as risk factors endemic to a person's living and working environment, rather than their behavioral or genetic histories. Factors such as income, education, access to recreation and healthy foods, housing, and employment, can and do have measurable impacts on a person and a community, both in health and financial outcomes.

Seventy-three percent of the patients seen by community health centers live below one hundred percent of the federal poverty limit. Eighty-Nine percent reside under two hundred percent of the federal poverty limit. This living situation has been shown to manifest in poorer health outcomes, often as a direct result the social determinants associated therein, such as lack of adequate housing or access to fresh produce. When coupled with health complications that arise with advancing age, there is a quantifiable need to alleviate financial strains and encourage better eating habits.

For these reasons, the HPCA support this measure and thanks you for the opportunity to testify.

SB2834

Submitted on: 1/30/2014

Testimony for HMS on Feb 6, 2014 13:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments: