

February 10, 2016

Senate's Committee on Ways and Means
Hawaii State Capitol
415 South Beretania Street, Room 211
Honolulu, HI 96813

Hearing: Thursday, February 11, 2016 – 9:00 a.m.

RE: **STRONG SUPPORT for Senate Bill 2299** – RELATING TO STATE EARNED INCOME TAX CREDIT

Aloha Chairperson Tokuda, Vice Chair Dela Cruz and fellow committee members,

I am writing in STRONG SUPPORT for Senate Bill 2299 on behalf of the LGBT Caucus of the Democratic Party of Hawai'i. SB 2299 creates a 10% state earned income tax credit (EITC). Requires reporting by Department of Taxation. Applies to taxable years beginning after December 31, 2016.

The Caucus supports this measure, as it will provide much need relief for over 108,000 local households that struggle to get by, many living paycheck to paycheck. The tax relief will also put more money into the local economies. Every \$1 in EITC translates into \$1.50 - \$2.00 in local economic impact.

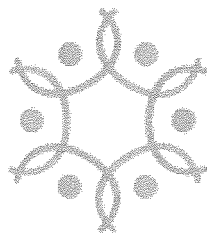
Income inequality is a scourge on economy and impacts our local economy for than our mainland counterparts given the high cost of living. This bill won't fix it totally but will help out those that need it most.

We hope that you will support this sorely needed bill.

Mahalo nui loa,

Michael Golojuch, Jr.
Chair

LATE



Hawaii
Children's Action Network
Building a unified voice for Hawaii's children

February 11, 2016

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Address

850 Richards Street
Suite 201
Honolulu, HI
96813

P: (808) 531-5502

To: Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair
Senate Committee on Ways and Means

From: Deborah Zysman, Executive Director
Hawaii Children's Action Network

Re: **SB 2299, Relating to a State Earned Income Tax Credit - Support**
Hawaii State Capitol, Conference Room 211 – February 11, 2016 – 9 AM

On behalf of Hawaii Children's Action Network (HCAN), formerly Good Beginnings Alliance, we are writing in support of SB 2299, Relating to a State Earned Income Tax Credit.

HCAN is committed to improving lives and being a strong voice advocating for Hawai'i's children. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2016 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2016policyagenda>.

HCAN supports the establishment of a state earned income tax credit (EITC) to provide economic security and equity for families. This initiative would create a state earned income tax credit equivalent to 10 percent of the federal EITC.

The federal EITC is a tax credit that reduces or eliminates workers' tax liability. It has been praised as the most effective anti-poverty program in the U.S. Twenty-six states and the District of Columbia offer a state EITC to help families keep more of their earnings.

With 33 percent of Hawai'i's children living below 200 percent of the poverty line, we rank 46th in the nation for children living in households with a high housing cost burden. All children in Hawai'i should have the opportunity to live in families that can provide for their needs and invest in their future. It's time we invest in our families and communities by creating a state refundable EITC that puts dollars back into workers' pockets and into the cash registers of local business.

For these reasons, HCAN respectfully requests that the committee pass this bill.

O'ahu

YWCA Fernhurst
1566 Wilder Avenue
Honolulu, Hawai'i 96822
(808) 941-2231

YWCA Kokokahi
45-035 Kāne'ohe Bay Drive
Kāne'ohe, Hawai'i 96744
(808) 247-2124

YWCA Laniākea
1040 Richards Street
Honolulu, Hawai'i 96813
(808) 538-7061

www.ywcaoahu.org

February 11, 2016

To: Honorable Jill Tokuda, Chair
Honorable Donovan Dela Cruz, Vice Chair
Senate Committee on Ways and Means

From: Noriko Namiki, Executive Director
YWCA of O'ahu

Re: S.B. 2299, Relating to State Earned Income Tax Credit - SUPPORT
Thursday, February 11, 2016, 9:00 a.m. -- Hawaii State Capitol, Rm. 211

Good morning Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

On behalf of YWCA O'ahu we thank you for the opportunity to share our testimony in **strong support of SB 2299** relating to state earned income tax credit.

With the high cost of living in Hawaii, State Earned Income Tax Credit (EITC) equivalent to 10 percent of the federal EITC will help relieve working families from living pay check to pay check. The state EITC will not only help over 108,000 hard working low-income families, but it will also boost local communities and economies across Hawaii. This program will allow low- and moderate- income working families to retain more of their earnings, which will help meet basic needs and pay for necessities that allow them to keep working, such as child care and transportation – this contributes to local economic growth.

The program would be efficient and cost-effective. As it is administered through the existing tax system, the EITC program would reduce administrative costs and inefficiencies compared to other government programs.

EITC is an investment in our keiki and our future. As the EITC is targeted at families, the credit is particularly effective at alleviating the impact of child poverty. Approximately 18,000 children in Hawai'i were kept out of poverty due to the federal EITC each year between 2011-2013 - a state EITC would further bolster working families' incomes. Children who grow up in homes with additional income through the EITC have improved health and educational outcomes, helping prepare a stronger workforce. The EITC is associated with increased graduation and college attendance rates, higher test scores, especially in math, and greater earnings as adults—all decreasing the likelihood of poverty.

As the primary focus of the YWCA's programs is economic advancement and job placement for low-income women, we are acutely aware of the economic insecurity so many working women in our community face. We urge the committee to support this measure and the significant positive impact that a state EITC will have on the hundreds of women we serve, the greater number of women who are breadwinners and responsible for the economic security of their families, and all of Hawaii's working families who struggle to make ends meet.

Thank you for your consideration and for the opportunity to provide testimony on this matter.

LATE

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: adinam@hawaii.edu
Subject: Submitted testimony for SB2299 on Feb 11, 2016 09:00AM
Date: Wednesday, February 10, 2016 11:13:02 PM

SB2299

Submitted on: 2/10/2016

Testimony for WAM on Feb 11, 2016 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Adina Murakami	Individual	Support	No

Comments: Honorable Chair Jill N. Tokuda and Ways and Means Committee Members: I strongly encourage your favorable consideration of SB 2299 which would create a state earned income tax credit in the tax proposals you are considering. With our regressive tax system, in our state the bottom 40 percent of households pay almost 13 percent of their income in state and local taxes, while the top 1 percent pays around 8 percent. Tax credits intended to reduce this disproportionate share of taxes have not been updated for years, even decades. The earned income tax credit (EITC) gives a much-needed break to working families struggling to get by on low wages. It not only reduces the tax burden on the low-income population but also acts as a wage supplement and an incentive for employment because only workers with earned income can claim it. Federal EITC has been so successful at helping low-income households that 26 states and D.C. have followed the federal governments lead by enacting their own state EITC. As a full-time student at UH Manoa, these tax incentives help to offset the high cost of living in Hawaii. Any consideration to the approval of this bill would be deeply appreciated. I hope that my input will be considered in the decision-making process for SB 2299. Sincerely, Adina Murakami, BSW, CSAC 96817

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.

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