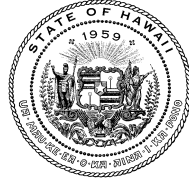


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LT. GOVERNOR



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MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Wednesday, March 22, 2017
Time: 9:30 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 209, H.D. 1, Relating to Taxation

The Department of Taxation (Department) appreciates the intent of H.B. 209, H.D. 1, and provides the following comments for your consideration.

H.B. 209, H.D. 1, contains various income tax provisions as discussed below. The measure has a defective date of July 1, 2030, and would otherwise apply to taxable years beginning after December 31, 2016.

Part I: Income Tax Credit for Low-Income Household Renters

Section 1 of this bill amends section 235-55.7, Hawaii Revised Statutes (HRS), by increasing the income thresholds to qualify for the low-income household renters credit (renters credit) from \$30,000 and the amount of the credit from \$50 per exemption to the following schedule:

Credit Amount Per Exemption	Adjusted Gross Income		
	Single or Married Filing Separately	Head of Household	Joint
\$150	\$20,000 and under	\$25,000 and under	\$30,000 and under
\$100	\$20,001 to \$30,000	\$25,001 to \$37,500	\$30,001 to \$45,000
\$50	\$30,001 to \$40,000	\$37,501 to \$50,000	\$45,001 to \$60,000

The renters credit is available to low-income taxpayers who have paid more than \$1,000 in rent during the taxable year. The renter's credit has not been increased since 1981 when it was increased from \$20 to \$50 per qualified exemption. In 1989, the income threshold to claim the

renters credit was increased from \$20,000 to \$30,000, and in 1990, the credit was amended to become refundable, allowing taxpayers with no tax liability to receive a cash refund.

The Department notes that current law contains a marriage penalty in that it limits all taxpayers, including joint filers, to income below \$30,000. This measure addresses this issue by creating different income thresholds for the various filing statuses.

If the Committee wishes to advance Section 1 of this measure, the Department requests that it be made applicable to taxable years beginning after December 31, 2017 to allow sufficient time for the necessary form, instruction and computer system modifications necessary for proper implementation.

Part II: Earned Income Tax Credit (EITC)

Section 2 of this bill creates a refundable earned income tax credit (EITC) at the State level. The credit is equal to 20% of the federal EITC allowed under section 32 of the Internal Revenue Code. The State EITC must be claimed within 12 months following the close of the taxable year for which the credit maybe claimed.

The Department appreciates the intent of a State EITC, to provide additional resources to economically disadvantaged taxpayers, but notes that the tax system is not necessarily the most efficient structure for providing financial support to such taxpayers. In addition, the Department has several concerns with the administration of this Section, as outlined below.

First, it is important to note that the Treasury Inspector General for Tax Administration (TIGTA) in its April 27, 2016 audit report concluded that "without expanded error correction authority, billions of dollars in identified potentially erroneous EITC claims will continue to go unaddressed each year". The report also highlighted that the Office of Management and Budget has announced the EITC a high risk program (currently, the EITC is the only high-risk program for the Internal Revenue Service (IRS)), subject to reporting in the Department of Treasury Agency Financial Report. TIGTA reported the estimated EITC improper payments for fiscal years 2009 through 2015 as follows:

Fiscal Years	Estimated Improper Payment Percentage	Estimated Improper Payment Dollars (Billions)
2009	26%	\$12.3
2010	27%	\$16.9
2011	24%	\$15.2
2012	23%	\$12.6
2013	24%	\$14.5
2014	27%	\$17.7
2015	24%	\$15.6

The Department has serious concerns regarding these error rates because as proposed, the State EITC will share the same error rate since the proposal is to allow 20% of the federal EITC as a State credit. These error rates exist despite the fact that the IRS has extensive data matching capabilities with federal databases such as the Social Security Administration database.

Second, the Department recommends nonrefundable tax credits because refundable tax credits often lead to improper claims and create a potential for fraud. Nonrefundable tax credits limit the incentive for fraud because they only benefit taxpayers to the extent of their tax liability. A nonrefundable credit would not generate this level of improper claims due to each claimant being limited to the amount of their tax liability.

Third, beginning on January 1, 2017, the federal Protecting Americans from Tax Hikes Act of 2015 requires that the IRS hold any refunds where EITC is claimed until at least February 15. This new law is intended to provide the IRS more time to verify claims thereby reducing the improper claims. The Department suggests monitoring the effectiveness of this new policy before adopting a refundable State EITC.

Fourth, most individual income tax refunds are paid before a complete review of each return is done; therefore, it is very difficult for the Department to stop improperly claimed or fraudulent refunds. Although it seems simple to base a new Hawaii EITC on a portion of the federal EITC, the Department has no independent way to determine whether an EITC claim is proper. The new refund delay policy will not necessarily correct this issue because there is no practical way for the Department to determine whether a federal refund was issued in real-time. The Department would be reliant on the IRS for notification that a claim was improper.

Fifth, the Department has serious concerns regarding its ability to recover any amounts which are improperly refunded. Once a refund is issued on a fraudulent or improper claim, there is a very little chance the Department will be able to recover the amount.

Finally, if the Committee wishes to advance Section 2 of this measure, the Department requests it be made applicable to taxable years beginning after December 31, 2017 to allow sufficient time for the necessary form, instruction and computer system modifications necessary for proper implementation.

Part III: New Income Tax Brackets and Rates

Section 3 of this bill reinstates the income tax brackets and rates for high income earners imposed by Act 60, Session Laws of Hawaii (SLH) 2009. The new 9% rate applies to taxable income over \$150,000 for Single, \$225,000 for Head of Household, and \$300,000 for Joint filers. The new 10% rate applies to taxable income over \$175,000 for Single, \$262,500 for Head of Household, and \$350,000 for Joint filers. The new 11% rate applies to taxable income over \$200,000 for Single, \$300,000 for Head of Household, and \$400,000 for Joint filers.

If the Committee wishes to advance Section 3 of this measure, the Department requests it be made applicable to taxable years beginning after December 31, 2017 to allow sufficient time for the necessary form, instruction and computer system modifications necessary for proper implementation.

Part IV: Refundable Food/Excise Tax Credit

Section 4 of this bill deletes the sunset date of the amendments to the refundable food/excise tax credit by Act 223, SLH 2015.

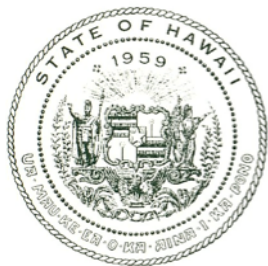
The Department is able to implement Section 4 of this bill for taxable year beginning after December 31, 2016, as there is very little administrative impact; this amendment is merely an extension of an existing credit.

The Department estimates the annual revenue loss to the general funds as follows:

Fiscal Years	Total	Renter's Credit	New Income Tax Rates	EITC	Food Credit
(\$Millions)					
2018	(17.2)	(11.1)	42.9	(49.0)	0
2019	(23.1)	(11.4)	45.0	(50.2)	(6.5)
2020	(22.4)	(11.7)	47.3	(51.5)	(6.5)
2021	(21.7)	(12.0)	49.6	(52.8)	(6.5)
2022	(20.8)	(12.3)	52.1	(54.1)	(6.5)

Thank you for the opportunity to provide comments.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

COMMISSIONERS:

SHERRY CAMPAGNA
CYD HOFFELD
JUDY KERN
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March 22, 2017

To: Senator Jill Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Cathy Betts
Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in Support, HB 209, HD1, Relating to Taxation

Thank you for this opportunity to testify in strong support of HB 209, HD1, which would help Hawaii's low and moderate income families through a much needed revision of our tax policies. This bill would create a state earned income tax credit (EITC), update the low income household renter's credit (LIHR), and restore the income tax rates for high income brackets.

This bill represents financial hope for many families—the current estimate reveals that a 10% state refundable EITC would benefit 309,060 people, including 127,018 children. A state EITC would provide financial relief to low income workers through a targeted tax reduction. Currently, Hawaii is the 8th poorest state under the United States Census Supplemental Poverty Measure. Most families live paycheck to paycheck, and many more cannot financially survive without state assistance.

The low income household renters credit (LIHR) was created in 1977 to mitigate the high cost of housing in Hawai'i. The credit currently provides a \$50 per qualified exemption for households with an adjusted gross income of less than \$30,000 who paid more than \$1,000 a year in rent. The value of the credit has not been updated since 1981, and the income thresholds have not been adjusted since 1989. The rate of inflation has increased by 156% since the credit value was last set in 1981.

Finally, reinstating the tax rate on the highest incomes would allow for cost neutrality for the state.

This measure seeks to alleviate some of our more regressive tax policies in order to allow families to become economically self sufficient. The Commission strongly supports HB 209, HD1.

Thank you for this opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Rate Hike, Renters' Credit Increase, New Earned Income Tax Credit, Food/Excise Credit Extension

BILL NUMBER: HB 209, HD-1

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: This bill expands the tax credits available for poverty relief including the renters' credit, food/excise credit, and adds the earned income tax credit. Presumably, these will be paid for by increasing the top tax rates to pre-2016 levels.

While it appears that this measure proposes tax relief to lower income taxpayers, consideration should be given to adjusting the income tax rates or the filing threshold amounts so those targeted taxpayers needing help will not need to claim these credits to get relief.

Higher individual tax rates create a drag on the economy primarily because most businesses operate in sole proprietorship, partnership, or S corporation form and are thus subject to the individual income tax rates. Hawaii is already famous for having heavy taxes and a hostile business climate, and this measure would perpetuate this conception.

BRIEF SUMMARY: This measure contains multiple parts.

Part I: Low Income Household Renters' Credit

Amends HRS section 235-55.7 to Amends HRS section 235-55.7 to increase the amount of the renter credit from \$50 to an amount based on adjusted gross income:

For unmarried taxpayers or married filing separately:	
Adjusted gross income	Tax credit per exemption
Not over \$20,000	\$150
Over \$20,000, not over \$30,000	100
Over \$30,000, not over \$40,000	50
For head of household:	
Adjusted gross income	Tax credit per exemption
Not over \$25,000	\$150
Over \$25,000, not over \$37,500	100
Over \$37,500, not over \$50,000	50
For married taxpayers filing jointly, surviving spouse, head of household:	
Adjusted gross income	Tax credit per exemption

Not over \$30,000	\$150
Over \$30,000, not over \$45,000	100
Over \$45,000, not over \$60,000	50

Part II: Earned Income Tax Credit (EITC)

Adds a new section to HRS chapter 235 to allow resident taxpayers to claim a state earned income tax credit equal to 20% of the federal earned income tax credit amount. Specifies that the credit is refundable.

Part-year resident taxpayers are also allowed the credit, but it must be multiplied by the ratio of Hawaii AGI to the taxpayer’s AGI from all sources.

Requires an individual taxpayer to use the same filing status on the taxpayer’s Hawaii return as used on the taxpayer’s federal tax return for the taxable year.

Requires claims for the credit, including any amended claims, to be filed on or before the end of the twelfth month following the taxable year for which the credit may be claimed. Failure to comply is considered a waiver of the right to claim the credit.

Delineates that no credit shall be allowed in the disallowance period which is: (1) the period of 10 taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section was due to fraud; and (2) the period of two taxable years after the most recent taxable year for which there was a final determination that the taxpayer’s claim of credit under this section was due to reckless or intentional disregard of rules and regulations, but not due to fraud.

Any person who is a tax return preparer who fails to comply with due diligence requirements imposed by the Secretary of the U.S. Department of the Treasury with respect to determining eligibility, or the amount of the credit allowable by IRC section 32, shall be subject to a penalty of \$100 for each such failure.

The director of taxation: (1) shall prepare the necessary forms to claim the credit; (2) may require proof of the claim for the tax credit; (3) shall alert eligible taxpayers of the tax credit using appropriate and available means; (4) shall prepare an annual report containing the number of credits granted for the prior calendar year, the total number of credits granted, and the average value of the credits granted to taxpayers whose earned income falls within various income ranges; and (5) may adopt rules pursuant to HRS chapter 91.

Part III: Tax Rate Increase

Amends section 235-51, HRS, to reinstate the 9%, 10%, and 11% individual tax rates that were in place prior to 2016.

Part IV: Permanent Extension of Food/Excise Tax Credit

Amends Act 223, SLH 2015, to delete the sunset date for the food/excise tax credit.

EFFECTIVE DATE: July 1, 2030, applies to taxable years beginning after December 31, 2016.

STAFF COMMENTS:

Part I: Low Income Household Renters' Credit

The 1970 legislature adopted a system of tax credits for household renters which was intended to partially offset the higher tax burden on renters resulting from the lack of tax relief like the home exemption for homeowners and the 4% general excise tax levied on rental income. The current renter credit was established by the 1977 legislature at \$20 per exemption for those taxpayers with adjusted gross incomes of less than \$20,000 who paid more than \$1,000 in rent during the tax year. Act 230, SLH 1981, increased the credit amount to \$50. Act 239, SLH 1989, increased the adjusted gross income (AGI) limit to \$30,000 to claim the credit. The proposed measure would increase the amount of the credit from \$50 to \$150. It does not increase the qualification amount – the taxpayer still will need to pay \$1,000 in rent during a taxable year to qualify for the credit.

There are two more issues with refundable credits targeted at low-income people generally.

First, a tax return is one of the most complicated documents for government agencies to process. The administrative costs associated with each one can quickly make heads spin. But when refundable credits are made available to folks who don't have much (or any) tax liability, those folks are motivated to file a return purely to get the refund check. When this happens, the department is visited by several folks who require special handling, homeless people for example. They might be able to provide a Social Security number, but they have no address and they don't have a bank account. Nevertheless, they are entitled to their refundable credit. Processing such people is even more expensive because higher level workers within the department need to get involved once the established procedures prove inadequate.

Second, as a policy matter, lawmakers might prefer that the recipient of the refund not use the money obtained on such things as cigarettes, alcohol, or illegal drugs. But the tax system contains no way of restricting the uses of a refund check; other departments do have systems in place (EBT, for example). The solution? Get such people out of the tax system entirely. They receive peace of mind because they don't have to worry about tax returns, and the department doesn't have to worry about processing those returns. If additional relief to such people is considered desirable, funnel it through the agencies that are better equipped to do so.

Part II: EITC

The federal earned income tax credit (EITC) provides an incentive to low-income households to remain in the workforce. The credit is targeted at households with children but the credit is also available at a lower amount to low-income households without children. The credit is based on a number of tests for earned income, investment income, number of qualifying children, dependency, etc. Given the complexity of the credit, the IRS will optionally calculate the amount of the credit for taxpayers. The IRS has consistently reported an error rate of greater than 22% for this credit.

The U.S. Treasury’s Inspector General for Tax Administration (TIGTA), in a 2014 report, included a table showing tens of billions in “improper payments” over the years, with no clear end in sight:

Fiscal Year	Minimum Improper Payments Percentage	Maximum Improper Payments Percentage	Minimum Improper payments (\$Billion)	Maximum Improper Payments (\$Billion)
2003	25	30	9.5	11.5
2004	22	27	8.6	10.7
2005	23	28	9.6	11.4
2006	23	28	9.8	11.6
2007	23	28	10.4	12.3
2008	23	28	11.1	13.1
2009	23	28	11.2	13.3
2010	24	29	15.3	18.4
2011	21	26	13.7	16.7
2012	21	25	11.6	13.6
2013	22	26	13.3	15.6

Source: Treasury Inspector General for Tax Administration, “The Internal Revenue Service Fiscal Year 2013 Improper Payment Reporting Continues to Not Comply with the Improper Payments Elimination and Recovery Act” (Mar. 31, 2014), available at <http://www.treasury.gov/tigta/auditreports/2014reports/-201440027fr.pdf>

The proposed measure would adopt an earned income credit by merely taking a percentage of the amount that the taxpayer would be eligible for under the federal table or determination. It should be remembered that the federal EITC was established for low and moderate-income workers to offset the burden of Social Security payroll taxes that might have otherwise been paid to them but were instead paid to the federal government by the employer. Enacted in 1975 at the federal level primarily as a means of tax relief, the credit was expanded three times during the 1980’s and 1990’s by the federal government to boost income from work and lessen poverty among families with children. In other words, it became a tool by which the federal government undertook social policy beginning with the first expansion of the credit in 1986. It is interesting to note the date of the first expansion because that was also the year that the federal Code was dramatically restructured, eliminating several tax benefits such as the deduction of consumer credit interest, deduction of state sales taxes, and institution of a minimum tax for those taxpayers receiving generally exempt income. It was also the year that rates were dramatically

reduced, and together with the standard deduction and personal exemption, rates were indexed. According to the IRS, 19.2% of the 146 million income taxpayers in 2011 claimed the EITC.

Thus, what started out as a mechanism to “refund” payroll taxes that might otherwise have been paid to low and moderate-income workers by the federal government, has turned into a subsidy for these families. While federal policymakers have the luxury of expending millions of dollars to accomplish a social goal through the tax system, state lawmakers do not have the same level of resources.

If the intent of state lawmakers is to alleviate the burden on the low and moderate-income workers in Hawaii who claim the federal EITC, their efforts should focus on the state income tax burden as it affects these families. Hawaii has one of the lowest thresholds of the approximately 43 states that levy a state income tax. An income tax threshold is the income level at which families begin to pay the state income tax. Despite the reduction in personal income tax rates in 1998 and adoption of a low-income tax credit, as well as a modest increase in the standard deduction, much more work needs to be done to adjust the standard deduction and the personal exemption.

While advocates point to a variety of national articles that hail the EITC as a means of helping the poor out of poverty and encouraging the poor to go to work, they miss the point that taking a percentage of the federal amount bears no relationship to the tax burden imposed by the state. Thus, the EITC amounts to nothing more than a back-door welfare program, handing out money merely because a person falls into a low-income category and has joined the workforce with a dependent or two. So while welfare advocates may point to tomes of literature that praise the EITC as a way to lift the poor out of the abyss of poverty, there is just as much material that decries the EITC as poor tax policy and one that is fraught with errors and compliance difficulties. In other words, if the poor are to be helped, don't do it through the tax system as there is very little transparency and accountability. And despite claims that many of these problems have been resolved, there is general agreement from administrators and practitioners that this is one of the most difficult and complicated federal tax credits with which to administer and comply, with increasing errors and inaccuracies.

Like many of the targeted tax credits aimed at encouraging business activities, the EITC comes with problems. There is no oversight as to how these refunds are aiding families, and little information on whether outcomes are being achieved or for that matter whether a family is getting sufficient assistance to actually leave the welfare rolls and become self-sufficient. As a recent study reported, nearly one-third of Hawaii's families are not self-sufficient. What will the EITC do for those families who are working two or three jobs to make ends meet, and therefore make too much money to qualify for the EITC? Where is the tax relief for those families? Lawmakers can make much more of a difference by making the needed structural changes to the state income tax rates and brackets and by boosting the standard deduction. Again, one must ask what is the relationship between taking a percentage of the federal credit amount and the amount of state tax burden relieved?

Lawmakers should also consider the interaction of a state tax credit that produces negative income and how that will affect the amount of income that would then be exposed to the federal rate structure. There are comprehensive studies on the interaction of the credit with the overall federal income tax system. Adopting the credit for state tax purposes may disrupt the incentive to remain employed or to increase the number of hours worked. It should be noted that an EITC has not been recommended by the 2005-2007 Tax Review Commission nor did the latest Commission even consider it. The 2005-2007 TRC examined the effects of what would have happened if an EITC was enacted equal to 20% of the federal EITC in 2006. Based on 2003 tax returns, the staff of the tax research and planning office of the department of taxation found that fewer than half of the Hawaii resident income tax returns would have benefitted from a Hawaii EITC. Of the 308,652 returns with AGI of under \$30,000, only 68,845, or 22.3%, claimed the federal EITC. They also estimated that there would be a \$23.2 million decline in tax collections if an EITC were adopted.

Finally, where would the revenue loss generated by this credit be taken? Which programs would be cut or not funded at all? What is known in the social services community is that unless the poor are given the tools and skills to become self-sufficient they will remain on welfare. The funds lost in this tax credit program would be far better spent on services that assist those, especially in public housing, in gaining the skills they need to hold gainful employment, provide child care so that those who need to go to work will have childcare, and learn how to manage what money they earn. Without these skills, merely subsidizing their earned income with a tax credit will not hold a promise of self-sufficiency. Rather than duplicating the federal earned income tax credit, the state should use its resources to instead complement the effort with more skill building and family support so these families can hold gainful employment. Thus, advocates must weigh the consequences of taking revenues from these capacity building programs against doling out the earned income tax credit based on some federal number that bears no relationship to the tax burden imposed by state taxes.

Part III: Tax Rate Increase

This measure proposes to reinstate the highest rate brackets and 9%, 10%, and 11% rates that were established by Act 60, SLH 2009.

The increase in income tax rates for higher income taxpayers was approved by the 2009 legislature but was vetoed by the governor. In the veto message, the governor stated that the bill would:

increase the tax burden on Hawaii's families and small businesses by increasing the marginal income tax rate by as much as 33.3%. Hawaii has the highest top personal income tax rate in the United States. By increasing the top marginal tax rate from 8.25 to 11 percent, this bill will make Hawaii the state with the highest personal income tax rate in the nation. Although there is the misconception that only wealthy people will be affected, this bill will adversely impact almost 37,000 persons, of which about 27,000 are sole proprietors, partnerships, or subchapter S corporations whose owners report their business income through personal income tax returns. In this broad recession which

affects both the wealthy and poor and where recovery depends on people investing, buying consumer goods, and donating to charities, a tax increase will put an unnecessary strain on everyone's pocket book. Small business owners who count their business income as personal income will find it more difficult to support and grow their enterprises. This could mean more business closures, layoffs, and fewer job opportunities.

The 2009 legislature overrode the governor's veto and the measure became Act 60, SLH 2009. Act 60 sunset on December 31, 2015, but this measure would enact comparable income tax rates.

The committee report accompanying this version of the legislation states that the bill is designed to address the regressive nature of our tax system. In particular, a 2015 study from the Institute on Taxation and Economic Policy (ITEP) called our tax system the 15th most unfair in the country. The study, which is available at <http://www.itep.org/pdf/whopaysreport.pdf>, asserts that the lowest 20% of our population pays 13.4% of its income in state and local taxes, while the top 1% pays 7.0%.

The detail table from which these figures came, however, reveals that the disparity comes from sales and excise taxes, not income taxes. The lowest 20% of our population pays 11.0% of its income in sales and excise taxes, while the top 1% pays 1.2%.

Certainly, the net income tax is progressive and it is the only arrow in the State's quiver of tax types that is progressive. But, as the detail table also reveals, the progressive effect in the net income tax is blunted somewhat because the Federal income tax law allows a deduction for state taxes paid. Thus, although the table appears to show that the lowest 20% of our population pays 0.5% of its income in state income taxes, while the top 1% pays 5.9%, adding the federal deduction offset reduces the effect on the top 1% to 4.5%.

Hawaii State & Local Taxes in 2015

Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$18,000	\$18,000 – \$33,000	\$33,000 – \$52,000	\$52,000 – \$85,000	\$85,000 – \$170,000	\$170,000 – \$375,000	\$375,000 or more
Average Income in Group	\$10,100	\$25,000	\$42,100	\$66,800	\$116,800	\$236,500	\$811,300
Sales & Excise Taxes	11.0%	8.5%	6.5%	5.1%	3.7%	2.2%	1.2%
General Sales—Individuals	4.9%	3.9%	3.0%	2.3%	1.7%	1.0%	0.5%
Other Sales & Excise—Ind.	2.4%	1.6%	1.1%	0.9%	0.6%	0.3%	0.1%
Sales & Excise on Business	3.8%	3.0%	2.4%	1.9%	1.5%	0.9%	0.6%
Property Taxes	1.9%	1.2%	1.5%	1.3%	1.2%	1.3%	1.2%
Property Taxes on Families	1.8%	1.1%	1.4%	1.2%	1.1%	0.9%	0.5%
Other Property Taxes	0.1%	0.1%	0.0%	0.1%	0.2%	0.4%	0.7%
Income Taxes	0.5%	2.6%	3.7%	4.1%	4.3%	4.7%	5.9%
Personal Income Tax	0.5%	2.6%	3.7%	4.1%	4.3%	4.7%	5.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Total Taxes	13.4%	12.3%	11.6%	10.5%	9.2%	8.3%	8.4%
<i>Federal Deduction Offset</i>	—	-0.1%	-0.2%	-0.5%	-0.9%	-1.1%	-1.4%
OVERALL TOTAL	13.4%	12.2%	11.4%	10.0%	8.3%	7.3%	7.0%

The higher tax rates reinstated by this bill create an image that Hawaii is a poor place to live, work, and invest, underscoring the poor business climate. When the 9%, 10%, and 11% rates were enacted in 2009, the national Tax Foundation was motivated to write:

Taxing High-Income Earners Has Failed Before as Sound Fiscal Policy

The trend may be new, but the policy has been tried before. Through the early 1990s, several states maintained double-digit income tax rates, including California (11% until 1996) and Hawaii (10% until 1998). These rates came down due to a combination of booming tax revenues from all sources, and growing expert understanding that location decisions of highly mobile entrepreneurs are sensitive to state income tax rates, particularly in the interstate context. To attract and keep good talent, create jobs and drive economic growth, legislators knew that state tax systems had to be competitive with their neighbors.

We still see elements of that today. Even in adopting its millionaires' tax, New York did not let its rate go above neighboring New Jersey, and other states are wary of crossing the 10% psychological barrier. The California Franchise Tax Board has taken pains to deny that their 10.3% top tax rate is in the double digits, referring on their website and on tax forms to a 9.3% top rate and elsewhere noting that there is a 1% surcharge. Now those rates are 9.55% and 10.55% (see Table 1).

If states are still concerned about interstate tax competition, what has really changed? The short answer is priorities. States that adopt new taxes on high-income earners are ones where policymakers are persuaded to ignore concerns about long-term economic growth

in favor of a short-term budget fix that avoids deep spending cuts. In New Jersey, while the new millionaires' tax raised revenue for the state and helped reduce a budget shortfall, it reduced the state's overall economic output and harmed its ability to grow during and after the recession.

This is the tradeoff that proponents of taxes on high-income earners usually fail to acknowledge. Yes, such taxes will generally raise revenue in the short term without a sudden exodus of wealthy people fleeing to the state next door, especially in Hawaii. But over the medium term, the taxes will negatively impact location decisions. People expanding old businesses or creating new ones will incorporate the higher cost of doing business into their decision-making, and steer clear of the state. California currently faces an enormous brain drain of dynamic individuals after five years of double-digit income taxes, and it seems that New Jersey may now be seeing the evidence of a brain drain from its millionaires' tax. Hawaii has long been accused of chasing out its best and brightest, and it can only be exacerbating that problem with these new tax rates.

Tax Foundation, *Fiscal Fact No. 169*, at 5 (May 2009) (footnotes omitted) (accessible at <http://taxfoundation.org/sites/taxfoundation.org/files/docs/ff169.pdf>).

To similar effect is a study sponsored by the American Legislative Exchange Council (ALEC), which states:

State personal income taxes provide one of the most problematic areas where the tax wedge affects the incentives of individuals in harmful ways. Personal income taxes are collected on the wages of employees, the investment income of those savers directing capital toward productive ends and all business earnings from those firms not organized as C-corporations, known as “pass-through” income. In all three cases, these items represent the fruit of productive labor. When these elements are taxed, the incentive to engage in these productive activities is diminished, leading to less work, less investment and less business activity.

As noted previously, numerous studies conclude that taxing the various forms of personal income and corporate taxes are the most damaging taxes for economic growth and economic performance. But the simple comparison of those nine states refraining from taxing personal income against those nine states taxing income at the highest level is telling of this economic connection. Table 7 details this comparison for the most recent available decade's worth of data on population growth, net domestic migration, non-farm payroll employment growth, personal income growth, gross state product growth and even the growth of government revenue. It should be noted that though Tennessee and New Hampshire decline to collect taxes on personal wage income, they do tax investment income. The contrast between these two groupings of nine states is quite telling on the dangers of personal income taxation as a means for collecting government revenue. On every metric, the states without a personal income tax are outperforming their high tax counterparts, and are doing so in a significant way.

TABLE 7 | The Nine States with the Lowest and Highest Marginal Personal Income Tax (PIT) Rates (10-Year Economic Performance)

	1/1/15	2004-2014	2005-2014	2004-2014	2004-2014	2004-2014	2002-2012
State	Top Marginal PIT Rate**	Population	Net Domestic Migration†	Non-Farm Payroll Employment	Personal Income	Gross State Product	State & Local Tax Revenue‡
Alaska	0.0%	11.7%	-2.9%	11.2%	65.5%	60.7%	318.8%
Florida	0.0%	14.2%	4.4%	4.6%	43.1%	31.8%	44.0%
Nevada	0.0%	21.0%	7.0%	5.4%	35.9%	27.7%	65.1%
South Dakota	0.0%	10.7%	2.8%	10.3%	57.4%	49.0%	57.2%
Texas	0.0%	20.4%	5.4%	21.7%	75.9%	78.6%	65.7%
Washington	0.0%	14.3%	4.3%	12.3%	54.5%	57.2%	50.8%
Wyoming	0.0%	14.7%	4.9%	14.6%	76.4%	86.4%	111.5%
New Hampshire [^]	0.0%	2.8%	-0.3%	3.3%	43.0%	34.6%	46.5%
Tennessee [^]	0.0%	10.8%	4.5%	4.0%	45.6%	36.3%	54.0%
Average of 9 No Income Tax States*	0.0%	13.4%	3.3%	9.7%	55.3%	51.4%	90.4%
50-State Average*	5.6%	8.8%	0.7%	6.1%	48.4%	43.6%	63.0%
Average of 9 Highest Income Tax States*	10.4%	6.8%	-2.1%	4.7%	44.3%	40.1%	58.4%
Kentucky	8.2%	6.4%	1.3%	3.9%	42.7%	38.7%	39.4%
Maryland	9.0%	7.7%	-2.5%	4.0%	42.1%	40.9%	52.0%
Vermont	9.0%	1.1%	-1.5%	2.3%	41.8%	31.4%	63.6%
Minnesota	9.9%	7.3%	-1.3%	4.9%	41.7%	36.4%	52.3%
New Jersey	10.0%	3.5%	-6.0%	-0.9%	36.5%	29.5%	55.5%
Oregon	10.6%	11.2%	5.1%	7.2%	46.7%	51.3%	64.3%
Hawaii	11.0%	11.5%	-2.6%	7.2%	52.9%	45.2%	74.8%
New York	12.7%	3.0%	-7.5%	7.4%	47.3%	47.2%	70.7%
California	13.3%	9.1%	-3.4%	6.3%	47.1%	40.6%	52.5%

* Equal-weighted averages.

** Top marginal PIT rate is the top marginal tax rate on personal earned income imposed as of 1/1/2015 using the tax rate of each state's largest city as a proxy for the local tax. The deductibility of federal taxes from state tax liability is included where applicable.

† Net domestic migration is calculated as the ten-year (2005-2014) sum of net domestic in-migrants divided by the mid-year (2010) population.

‡ 2002-2012 due to Census Bureau data release lag.

[^] Tennessee and New Hampshire tax interest and dividend income but not ordinary wage income.

Source: Laffer Associates, U.S. Census Bureau, Bureau of Labor Statistics and Bureau of Economic Analysis

These numbers in a table fail to tell the full story of this comparison in sufficient detail with respect to quality of life. The boost to economic performance, unlocked by avoiding taxation of personal income, provides citizens faster income growth, more opportunity to

find a job or climb the career ladder and even faster government revenue growth, which allows for greater public capacity to meet social needs through greater economic growth, not higher tax rates.

This reality is also true for those states choosing to tax personal income at lower levels and to tax income with one flat rate, instead of graduated rates that see highly productive workers facing increased rates of taxation as they earn greater levels of income. Though many taxpayers avoid paying top marginal rates of state income taxes due to various carve-out provisions and graduated rates, there are many taxpayers that do face those rates, or must fear the possibility of facing those top marginal rates, and make economic decisions based on that possibility. The expectations and uncertainties of taxpayers have a major impact on their decisions to produce, invest or grow their businesses.

This effect of top marginal rates is particularly true for investors and pass-through businesses subject to the personal income tax code. Many advocates of high income taxes like to portray high earners as gilded millionaires undeserving of their large incomes. These advocates of “soak the rich” taxation ignore that investors directing capital or businesses reinvesting profits toward hiring expansion or wage enhancing capital investments, grow opportunity for all citizens of a given state.

American Legislative Exchange Council, *Rich States, Poor States* 35-36 (8th ed. 2016) (available at https://www.alec.org/app/uploads/2015/10/RSPS_8th_Edition-Final.pdf).

For these reasons, we recommend that lawmakers think twice before continuing the high individual rates that had put Hawaii on the map for all the wrong reasons.

Part IV: Permanent Extension of Food/Excise Tax Credit

This measure proposes a permanent extension of the refundable food/excise tax credit. While it appears that this measure proposes tax relief to lower income taxpayers, consideration should be given to adjusting the income tax rates or the threshold amounts so those taxpayers that these credits are aimed to help will not need to claim these credits to get tax relief (or forfeit the credits if they fail to do so). Many of the comments relating to Part I also apply here.

Technical Comments

We offer the following technical comments on Part II:

- Subsection (c) beginning on line 13, the text requires a taxpayer to use the same filing status as federal. This might not be proper because a joint return election in Hawaii requires certain legal consequences such as an agreement to be jointly and severally bound, as described in HRS section 235-93(a).
- Subsection (f) attempts to impose a preparer penalty for failure to comply with federal due diligence requirements with respect to determining eligibility for or the amount of credit allowable under federal law. As written, this subsection is confusing. We suggest the following revision:

(f) Any person who is a tax return preparer, as defined under section 231-36.5(h), with respect to any return wherein a credit is claimed under this section, who fails to comply with due diligence requirements under Treasury Regulations 1.6695-2 with respect to determining eligibility for, or the amount of, the credit allowable by section 32 of the Internal Revenue Code shall pay a penalty of \$100 for each such failure.

Digested 3/14/2017



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON WAYS AND MEANS
WEDNESDAY, MARCH 22, 9:30 A.M., Room Number 211
SB 209 HD1 RELATING TO TAXATION

TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Tokuda, Vice-Chair Dela Cruz and Committee Members:

The League of Women Voters of Hawaii strongly supports HB209 HD1 which is designed to make Hawaii's tax system more equitable across income levels.

It is embarrassing to admit that our tax system penalizes people at the low end of the income continuum in several ways. Other states do better - only one other state taxes low-income households as heavily as we do. Besides the issue of fairness and equity, there are other reasons to support HB209 HD1.

For one thing, every penny of increased income will be spent in Hawaii, on food, health care, education, and/or entertainment, for example. Thus the monies lost in taxes will be partially recouped through the excise tax on these purchases.

Families who are under the intense stress of very low income often struggle to provide a supportive environment for their children. Research has shown that raising household income increases the likelihood that children will succeed in school.

Many low-income families are just one emergency away from homelessness or the loss of a job. A little extra money provided through tax reform can provide a buffer against these disasters.

In good conscience, we must do better by the least fortunate members of our society. Please pass HB209 HD1. Thank you for the opportunity to submit testimony.



March 15, 2017

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

From: Karen Worthington, Project Coordinator
Early Childhood Action Strategy

Re: HB209-HD1 – Relating to Taxation
Hawaii State Capitol, Room 211, March 22, 2017, 9:30 AM

Position: Action Strategy supports HB209-HD1 Relating to Taxation

Dear Senator Tokuda, Senator, Dela Cruz, and Committee Members:

Thank you for the opportunity to provide testimony on behalf of Hawaii's Early Childhood Action Strategy, a public private collaborative that recognizes the strength of communities and works across sectors to increase the number of young children in Hawaii who are born healthy, developing on track, ready for school when they enter kindergarten, and proficient learners by third grade.

Action Strategy supports HB209-HD1 which helps thousands of Hawaii families living near or below the poverty line by expanding the low-income household renters' income tax credit, establishes a state earned income tax credit, and restores the pre-2016 income tax rates for high income earners.

Helping families move out of poverty is important to Action Strategy because financial stability in a home is one of the key ingredients for children to develop on track and succeed in school and in life. Household income has been linked to children's physical and emotional health, language acquisition, physical and mental development, school success, and much more.

In 2016, Hawaii had the sixth-highest poverty rate in the country, using the Supplemental Poverty Measure. More than half of Hawaii's public school children qualify for free and reduced lunches because of low family income levels. Research shows that 127,018 children would benefit from increased financial stability in their families if Hawaii had a state earned income tax credit.

Action Strategy Testimony on HB209-HD1

March 15, 2017

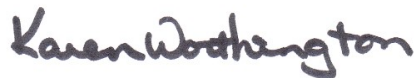
Page 2

The revisions to Hawaii's tax structure that are contained in HB209-HD1 will help families rise above the poverty line and have adequate income, housing and food to support the healthy development of their children. With 43% of Hawaii households renting their homes, the renters tax credit will benefit a large number of children and families. The earned income tax credit, which 26 states and Washington DC have, will similarly benefit Hawaii's children by helping to compensate for the fact that the GET hits low and moderate income families especially hard because it applies to all purchases, even the most basic necessities. Hawaii can help families escape poverty without losing revenue by reinstating the tax rates that were in place for the highest-income earners in 2015.

To help families escape poverty and children thrive in their health and development, Hawaii must revise its tax structure in a way that relieves some of the financial pressures on our struggling families. Therefore, Action Strategy asks that you pass HB209-HD1.

Action Strategy is committed to ensuring Hawaii's young children are healthy, safe and ready to learn and HB209-HD1 supports that vision. Please feel free to contact me for additional information. I can be reached at 808-214-9336 or karen@clnhawaii.org.

Sincerely,

A handwritten signature in black ink that reads "Karen Worthington". The signature is written in a cursive, slightly slanted style.

Karen Worthington, JD
Project Coordinator
Early Childhood Action Strategy
700 Bishop Street, Ste. 701
Honolulu, Hawaii 96813

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 8:03 PM
To: WAM Testimony
Cc: wao-hsl@WeAreOne.cc
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/14/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments: Tax the rich. They are the ones with the money. www.WeAreOne.cc

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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COMMUNITY ALLIANCE ON PRISONS

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COMMITTEE ON WAYS AND MEANS

Sen. Jill Tokuda, Chair

Sen. Donovan Dela Cruz, Vice Chair

Wednesday, March 22, 2017

9:30 am

Room 211

STRONG SUPPORT HB 209 - TAX FAIRNESS OMNIBUS BILL

Aloha Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai`i for two decades. This testimony is respectfully offered on behalf of the approximately 6,000 Hawai`i individuals living behind bars or under the “care and custody” of the Department of Public Safety on any given day. We are always mindful that approximately 1,400 of Hawai`i’s imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Native Hawaiians, far from their ancestral lands.

Community Alliance on Prisons is a member of the Tax Fairness Coalition and we are in strong support of SB 648 that addresses some of the needs of the most vulnerable people in our community. We support Hawai`i Applesseed’s research on these bills because it is solid and they have proven themselves to be experts in this area.

This bill is relevant to Community Alliance on Prisons because it will help many of our families and communities who are suffering from the impacts of incarceration. The fact that so many families in Hawai`i are struggling just to make ends meet is a clarion call for tax relief.

An article¹ on the Brookings Institute blog from February 2016 reported:

¹ The rich even have a better kind of stress than the poor, Carol Graham | February 10, 2016.
<http://www.brookings.edu/blogs/social-mobility-memos/posts/2016/02/10-rich-have-better-stress-than-poor-graham>

The poor typically score lower than the rich on markers of well-being, ranging from life satisfaction and happiness to objective indicators of health. This matters because individuals with higher levels of well-being and hope for the future tend to invest more in it, objective conditions being held equal. This connection between belief and behavior helps to explain why some cohorts continue to get ahead and others fall further and further behind.

Chronic stress is bad for social mobility

...Chronic stress, such as that typically faced by the poor as they constantly struggle to solve the crisis or the problem of the day, makes it very difficult to plan beyond the moment. For the U.S. poor, for example, common problems such as a sick child or a broken-down car can result in the loss of a (typically low-quality) job and then a new spiral of associated problems, often exacerbated by lack of health care and other kinds of insurance. There can also be longer term costs. For example, Senhil Mullainathan and Eldar Shafir write about the lower levels of cognitive capacity to plan ahead that result from the chronic stress faced by the very poor in their well-known book, Scarcity.

A January story from Hawai'i News Now² : Priced Out Of Paradise reported:

The median rent for a one-bedroom in Honolulu is now \$1,750, the 11-highest among cities across the nation, according to a new report.

That's up about 2.9 percent from a year ago. Meanwhile, two-bedroom rents hit \$2,390, up 7.2 percent from January 2016. The figures from Zumper.com aren't a good sign going into the new year, and come as rents in other pricey cities are on the decline.

If we hope to create safe, healthy, and just communities across our islands, we must consider the needs of everyone. It is distressing that our island home is touted as the playground for the rich to encourage the 1% to buy their 2nd, 3rd, and 4th "homes" here while thousands of people are living on the street, couch surfing with friends, or barely making ends meet to feed their families.

Community Alliance on Prisons implores the committee to pass this important bill that will lift some of our people up another rung in the economic ladder and demonstrate the concern the state has for those members of our communities who are struggling the most.

Justice cannot be for one side alone, but must be for both.

Eleanor Roosevelt

Mahalo nui for this opportunity to testify.

² Report: Unlike other pricey cities, Honolulu rents continue to rise. Tuesday, January 3rd 2017, 1:25 pm .
<http://www.hawaiinewsnow.com/story/34175941/report-unlike-other-pricey-cities-honolulu-rents-continue-to-rise>



March 16, 2017

Aloha Chair Tokuda, Vice-chair Dela Cruz and committee members,

Reforming the State tax system will go a long way toward advancing Economic Justice. For this reason, the Hawaii Chapter of the Young Progressive Demanding Action, representing nearly 600 registered members, strongly supports HB 209.

Hawai'i's families face the highest cost of living the nation. Our residents pay more for shelter than any state in the nation, with 72 percent of those living in poverty spending more than half of their income on housing. Median rent in Hawai'i increased by 45 percent during the period between 2005–12, approximately three times the rate of inflation during that same time period. Renter households do not benefit from federal or state tax benefits available to homeowners, including mortgage interest deductions or real estate tax deductions. Nor are they able to build equity in a home. Landlords generally pass along costs from the General Excise Tax and property taxes to renters.

Hawai'i's working poor families pay higher tax bills than those in all but three other states, and the tax rate for low and moderate income households is among the highest in the nation. The poorest taxpayers pay, on average, approximately 13 cents of every dollar of income in taxes, while those earning more than \$400,000 pay closer to 8 cents on every dollar of income. Hawai'i has the second highest taxes on people in poverty. The lack of adequate credits and exemptions means that the personal income tax actually pushes some low-income working families deeper into poverty.

The proposed changes to the Low-Income Household Renter's credit would increase its value to make up for ground lost to inflation during decades of neglect. Additionally, these changes will improve the credit's structure to implement tax policy best practices, allowing for a gradual credit phase-out as household income increases, and tailoring the credit to better focus on those most in need.

A Working Family Credit is a proven way to foster economic prosperity, providing opportunities for working families to climb the economic ladder and strengthening local businesses. Based on the federal Earned Income Tax Credit (EITC), the Working Family Credit is a tax credit that reduces or eliminates workers' tax liability. The EITC has been praised as the most effective anti-poverty program in the U.S.; has been endorsed by every president since Richard Nixon; and continues to receive broad, bipartisan national support. Both Democrats and Republicans have hailed it as the most effective anti-poverty tool in the nation. Eighty-six percent of Hawai'i residents have indicated support for a Working Family Credit which, like the EITC, would let low and moderate income working families keep more of what they earn.

As Hawai'i families struggle to put food on the table, the General Excise Tax (GET) is effectively another hungry mouth to feed. The GET taxes food and other life necessities, placing a significant additional financial burden on people who are working hard to make ends meet. Since 2007, Hawaii has had a Refundable Food/Excise Tax Credit designed to help ease the tax burden on basic necessities. To keep up with the continuously rising cost of living, the credit should be increased, but the opposite will happen if we don't act this session to prevent the credit from being automatically reduced. We should adopt a credit that keeps up with future cost of living increases so that the tax burden on basic necessities does not increase year after year as living costs go up.

At the end of 2015, the upper-level income tax rates for Hawai'i's highest earners (e.g., joint filers with taxable incomes of \$300,000 or more per year) were allowed to expire. Reinstating those top tax rates would help balance Hawai'i's tax system and raise about \$48 million per year—more than enough to pay for the Working Family Credit, Renters' Credit, and Food Credit that are necessary to provide tax relief for our state's low-income and working-class families.

Approximately 93 percent of the revenue raised by reinstating the upper-level tax rates would be paid by the top 1 percent of Hawai'i earners. Doing so will increase the fairness of our tax system without breaking the bank for high earners. For example, under the upper-level rates, a joint-filing household making \$400,000 per year would pay just 3 percent more of their income toward taxes—about \$1,250 more per year.

Two things we would like to see amended in this bill:

- HB 209, as currently written, does not include an inflation adjustment for the Food or Renters' credits, so we are requesting an amendment to HB 209 to provide for this adjustment. We don't want to be in the same situation we are currently in five years from now, or 35 years in the case Renters' Credit, which hasn't been updated since 1981.
- We are also asking for tax credits rather than eliminating the lower tax brackets because refundable credits offer more targeted tax relief to those that need it the most. Every time someone pays for groceries or their rent, they get taxed through the General Excise Tax (GET). Even eliminating income taxes entirely on a low-income family won't return to them a portion of the money they paid on GET—only refundable credits like the Food, Renters' and Working Family credits can accomplish that.

Hawai'i's working families need help and this bill provides a vehicle to greater equity and prosperity for your constituents, our members and our communities at large. We urge you to pass this bill out of committee with these two amendments, and to give it the full weight of your support as it advances

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**Testimony to the Senate Committee on Ways and Means
Wednesday, March 22, 2017 at 9:30 A.M.
Conference Room 211, State Capitol**

RE: HOUSE BILL 209 HD1 RELATING TO TAXATION

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes Part III** of HB 209 HD1, which expands the low-income household renters income tax credit based on adjusted gross income and filing status; establishes a state earned income tax credit; restores the income tax rates for high income brackets that were repealed on 12/31/15; removes the sunset date for the refundable food/excise tax credit. The Chamber takes no position on the other substantive parts of the bill.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We thought that Act 60 was temporary and should not be extended. This bill adversely affects small businesses and would severely limit their ability to reinvest in their business, create jobs, and keep their small business running. Business owners already face many restrictions and regulations and this bill is just another challenge for small business owners in Hawaii to survive.

We respectfully request that this part of the bill be removed. Thank you for the opportunity to testify.



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

March 22, 2017

TO: Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Members of the Committee on Ways and Means

FROM: Natalie Okeson, Interim Executive Director

SUBJECT: Testimony in Support of HB209, HD1 RELATING TO TAXATION

Hearing: March 22, 2017 at 9:30am
Conference Room 211

Chair Tokuda, Vice Chair Dela Cruz, Members of the Committee:

Thank you for the opportunity to testify in strong support of HB209, HD1. I am Natalie Okeson, Interim Director of PHOCUSED. PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. With members representing major human service providers across the state, we understand that the vulnerable populations our members serve are often synonymous with the low-income households that are financially constrained by Hawaii's current tax laws. These households are paying over 13% of their income in state and local taxes, while those at the top pay less than 8%. This places our state as second in the nation for taxation of the poor.

PHOCUSED strongly supports HB209, HD1 which works to address the significant



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

imbalance of Hawaii's tax burden by improving the Food Credit and Renters Credit, as well as creating a Working Family Credit. By reinstating the 2009-2015 tax rates for our state's top income earners, these tax credits will not additionally burden Hawaii's budget.

The Refundable Food/ Excise Tax Credit must be updated to make up for inflation for the past two years and should have scheduled COLA's for the next four years. While prices continue to rise, raising the GET tax bill along with them, the amount of the tax credit stays constant. By making changes to the tax credit rate we can help our financially constrained families. In addition, our state must not allow the amount of this credit to fall back to its original level, which would drop the credit twenty-three percent.

Hawaii's Low-Income Household Renter's Credit is in even greater need of an update. It has been nearly thirty years since the credit was adjusted, although rents have soared and roughly half of Hawaii's renters are cost-burdened (paying over 30% of their income toward housing costs). The proposed changes to the LIHRC would benefit 83,000 families with over \$11 million returned to low and moderate-income households.

Twenty-six states and Washington, D.C. have created state-level working family tax credits, modeled after the federal Earned Income Tax Credit. Hawaii should join this trend of states eager to help working families keep more of what they earn. The Working Family Tax Credit would essentially erase the state income tax burden for 11,000 families. Updating and implementing these three tax credits for Hawaii's low and moderate-income working households will help bring balance back to our state's tax burden.

Thank you for the opportunity to submit testimony in support of HB209, HD1.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 209, HD1 – Relating to Taxation
Senate Committee on Ways and Means
Scheduled for Hearing Wednesday, March 22, 2017, 9:30 AM, Conference Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for the opportunity to testify in **STRONG SUPPORT** of **HB 209, HD1**, which would help many economically struggling families in Hawai'i by improving the already-existing Food Credit and Renters' Credit as well as creating a Working Family Credit, all of which are targeted at low-income and working-class households. This would be paid for by reinstating the tax rates that were in place for our highest-income earners from 2009 to 2015.

As we detail below, HB 209, HD1 packages together sound policies that would go far in helping our low-income and working-class neighbors keep more of what they earn. We are also respectfully requesting that the bill be further improved by including future automatic cost-of-living adjustments for the Renters' and Food credits. With those features in place, the credits would not be automatically eroded by inflation, and years from now we wouldn't have to be back at the legislature requesting more updates.

Hawai'i Ranks High for Tax Unfairness

Hawai'i has the lowest wages in the nation after adjusting for our cost of living, which is the highest in the nation. We also place the second highest tax burden in the country on our low-income households, according to the Institute for Taxation and Economic Policy (ITEP). In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

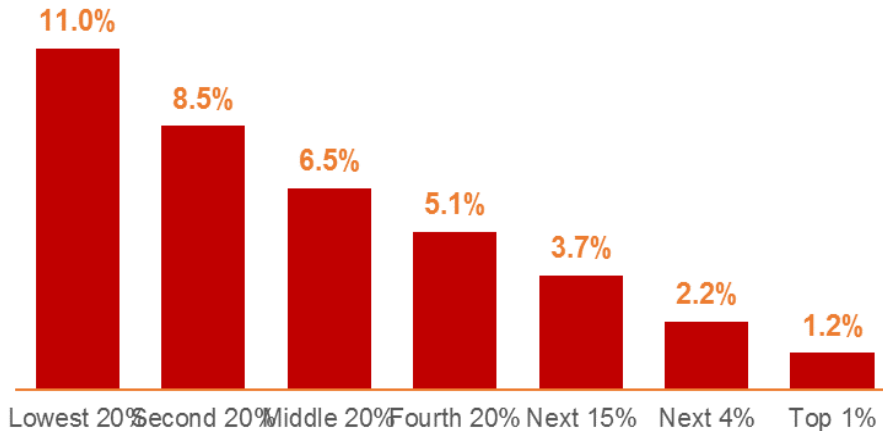
Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. The vast majority of this inequitable burden is due to the General Excise Tax (GET), applied to almost all goods and services, which hits low-income and working-class families almost ten times harder than those at the top.

Meanwhile, the bottom 20 percent of wage earners in our state pay about 0.5 percent of their income in state personal income tax, according to ITEP. The average income in that quintile is \$10,100, which leads to an average state income tax bill of \$50 for those low-wage workers.

That is why tax credits -- especially refundable credits, which allow filers to receive tax refunds if their credits are larger than their income tax liability -- are essential. Refundable tax credits are an especially efficient way to help low-income households get back some of what they pay in the GET.

The GET Hits Low-Income Workers Almost 10 Times As Hard As the Top 1%

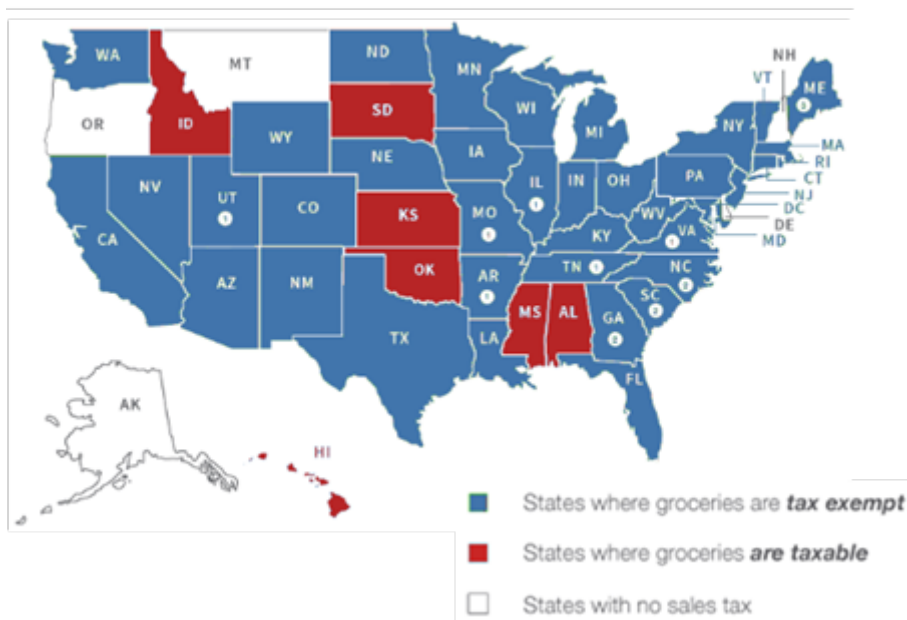
Hawaii's General Excise Tax as a Share of Family Income



The Food Credit

Hawai'i has the highest cost of living in the nation, with prices more than two-thirds (68.6%) higher than the national average. One of the main contributing factors is our high cost of food. Hawai'i is one of only seven states that fully taxes groceries.

In Which States Are Groceries Taxed?



Since 2007, Hawaii has had a Refundable Food/Excise Tax Credit designed to help ease the tax burden on basic necessities. To keep up with the continuously rising cost of living, the credit should be increased, but the opposite will happen if we don't act this session to prevent the credit from being automatically reduced.

The amounts that families could get back from the Food Credit were updated to catch up with inflation in 2015. However, that cost-of-living adjustment is scheduled to expire at the end of 2017, at which point the amount of the credit will fall back to its original level, or a maximum of only \$85. That would mean a drop of almost a quarter (23%) of its value.

We respectfully request that HB 209, HD1 be amended to update the amount of the Food Credit to make up for the inflation of the past two years, as well as schedule cost-of-living adjustments for the next four years increases so that the tax burden does not increase as living costs go up. That would mean increasing the maximum credit value to \$115 in 2018, \$120 in 2020, and \$125 in 2022.

In addition, the income eligibility cut-offs for the Food Credit have not been adjusted for cost-of-living increases since 2007, which means that fewer and fewer of our low-income and working-class families can claim the credit. We request amending HB 209, HD1 to catch the income thresholds up to inflation and schedule increases for the next four years. That translates to raising the maximum annual eligible income level to \$58,000 (\$35,000 for single filers) in 2018, \$60,000 / \$36,500 in 2020, and \$63,000 / \$38,000 in 2022.

The Working Family Credit

The federal Earned Income Tax Credit (EITC) helps low-income families keep more of their earnings through tax refunds. Democrats and Republicans praise it as the most effective anti-poverty tool in the nation.

Twenty-six states and the District of Columbia have created state-level working family credits, ranging from 3.5 percent to 85 percent of the federal EITC, but Hawai'i is not one of them. Since they are facing the nation's highest cost of living, our low-income and working-class households need a state-level EITC more than those in any other state.

We should create a Working Family Credit, which would bring at least 11,000 families' state income tax bill down to zero. It is estimated that a credit set at 20% of the federal EITC this would cost about \$46 million per year and be targeted at those workers who need tax relief the most.

The Working Family Credit would be efficient and easy to administer, since the tax refunds go directly to families, instead of through a government program. It incentivizes work by allowing low-income workers to keep more of what they earn. This decreases their dependence on government assistance.

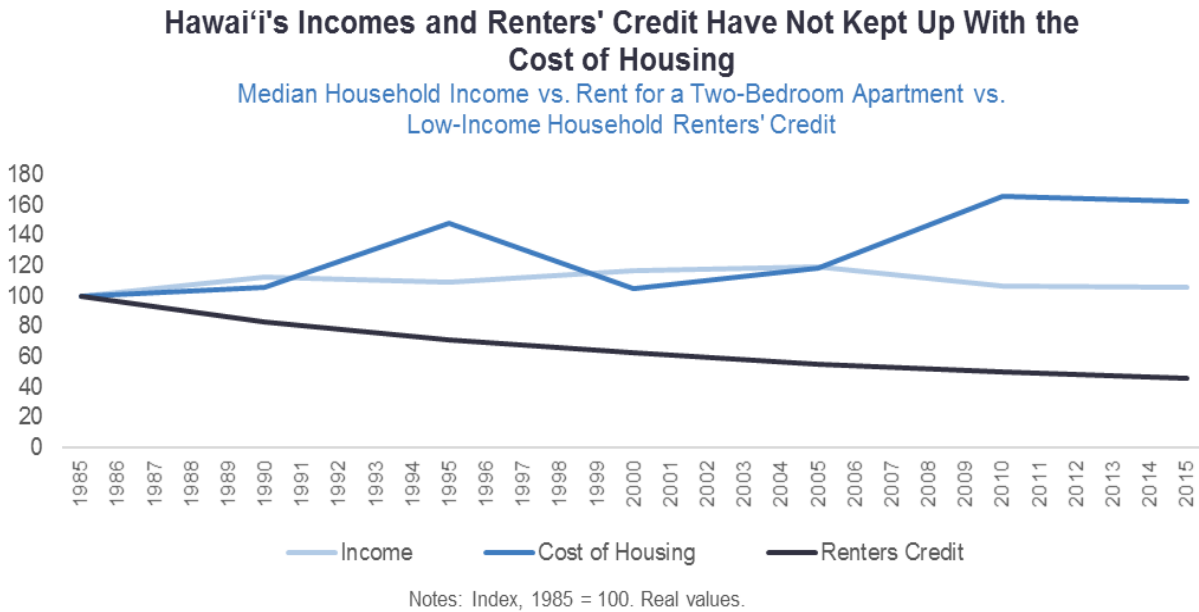
The credit is scaled to give greater relief to workers with children, so it is particularly effective at alleviating child poverty. For example, A single parent of one child, working full-time and earning the minimum wage, earns \$18,500 annually, and would owe Hawai'i about \$172 in state income tax. A Working Family Credit set at 20% of the federal EITC, as specified in HB 209, HD1 would amount to \$664. That means they'll get a tax refund of \$492 instead, allowing them to catch up on bills and debts.

About 18,000 keiki in Hawai‘i are kept out of poverty due to the federal EITC each year. The EITC has been shown to boost the health, test scores and future earnings of young children in families that receive it.

In addition, the Working Family Credit would be good for local businesses. Tax refunds go to low-income workers, who are the most likely to spend their dollars at local stores and businesses. Every tax credit dollar generates an estimated \$1.50 to \$2 in local economic activity.

The Renters’ Credit

A full-time worker in Hawai‘i needs to make \$34.22 per hour (or over \$68,000 per year) to afford a 2-bedroom apartment. It’s no wonder that more than half of our state’s renters are housing cost-burdened, spending more than 30% of their income on rent. Almost three-quarters of Hawai‘i residents living at or near the poverty line spend more than 50% of their incomes on rent.



Hawai‘i’s Low-Income Household Renters’ Credit was created almost 40 years ago to help make up for the high tax rates that burden our low- and moderate-income renters. However, it has not been updated in nearly three decades to even account for inflation.

The amount of the Renters’ Credit was last set 35 years ago, in 1981, at \$50 per exemption. The income eligibility cut- off was set in 1989 at \$30,000, which was just above the median household income at that time. Neither of those levels have budged since then.

We should update the Renters’ Credit to recover ground lost to inflation by increasing both the maximum value of the credit and the income eligibility limits. The maximum value of the Renters’ Credit should be raised to

\$150 per exemption, and the eligibility threshold should be lifted back to just above the median, up to \$60,000 in annual income for joint filers.

To avoid automatic erosion of the value of this credit due to inflation, we respectfully request that HB 209, HD1 be amended to include automatic future cost-of-living adjustments to both the amount of the credit and the income eligibility limits. One of the simplest ways to do this would be to annually adjust these levels to the Bureau of Labor Statistics' Consumer Price Index for Honolulu.

We desperately need to alleviate the tax burden on renter families struggling to afford housing. Simply bringing this credit up-to-date will benefit approximately 83,000 households, as well as put a much-needed additional \$11.2 million into the pockets of Hawaii's low- and moderate-income families.

Restoring Revenues

From 2009 to 2015, Hawai'i's highest-income residents paid higher tax rates than in prior years. These higher rates slightly narrowed the gap between the tax burdens of our high- and low-income neighbors. Our state's economy grew by 2%, and the unemployment rate dropped from 6.4% to 3.3%, during those years.

However, those rates were allowed to sunset at the end of 2015, effectively giving our highest-income earners tens of millions of dollars' worth of a tax break. We should reinstate those top tax rates, which would provide more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages.

The Institute for Taxation and Economic Policy estimates that reinstating these tax rates would raise over \$75 million per year. About 90% of the revenues raised would come from the top 1% of Hawai'i earners.

These higher tax rates would apply only to taxable income earned above the highest tax bracket levels that were in effect from 2009 to 2015. Specifically, these tax rates would apply to joint filers with taxable incomes over \$300,000 per year, heads of households earning taxable income over \$225,000, and single filers with annual taxable incomes over \$150,000.

Taxable income is often much lower than total income earned, because it is the amount AFTER a taxpayer has subtracted their exemptions and deductions, which can amount to tens of thousands or hundreds of thousands of dollars.

In addition, these rates would NOT affect any of the income that these high earners make below these limits. In other words, the higher taxes would be paid only on any additional dollars earned ABOVE the bracket levels.

For a married couple filing jointly with a taxable income of \$350,000, the higher tax rates would only apply to the last \$50,000 that they earn. That means they would pay an extra \$375 per year with the higher rates in effect, which is only 0.1 percent of their total taxable income.

For heads of households, the higher tax rates would apply to taxable income above \$225,000 per year. So with a taxable annual income of \$250,000, a head of household would pay higher taxes on only their last \$25,000 of income, for an additional \$188 per year.

For single filer with an annual taxable income of \$175,000, the higher rates would apply only to the last \$25,000 that they earn. They would pay an extra \$188 per year under the higher rates.

In the case of those making a million dollars in taxable income per year, the higher rates would mean paying an additional \$17,750 for joint filers, \$20,188 for heads of households, and \$22,625 for single filers.

However, since Hawai'i taxpayers can deduct the state taxes that they pay from their federal tax bill, any state tax increases are partially paid by the federal government. For example, if a high-income earner were to pay an extra \$1,000 in state income tax, they could deduct that from their federal income tax. At the 40% top federal rate, that means their deduction is worth 40% of \$1000, or \$400. So only \$600 is paid by the taxpayer, and \$400 is "paid" by the federal government.

This combination of reforms – improving the Food Credit and the Renters' Credit, creating a Working Family Credit, and restoring revenues – would go a long way towards tax fairness and help those most squeezed by Hawai'i's high costs and low wages. We need to come together and restore tax fairness in our state.



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HOUSE BILL 209, HOUSE DRAFT 1, RELATING TO TAXATION

Senate Committee on Ways and Means
Hon. Jill N. Tokuda, Chair
Hon. Donovan M. Dela Cruz, Vice Chair

Wednesday, March 22, 2017, 9:30 AM
State Capitol, Conference Room 211

Honorable Chair Tokuda and committee members:

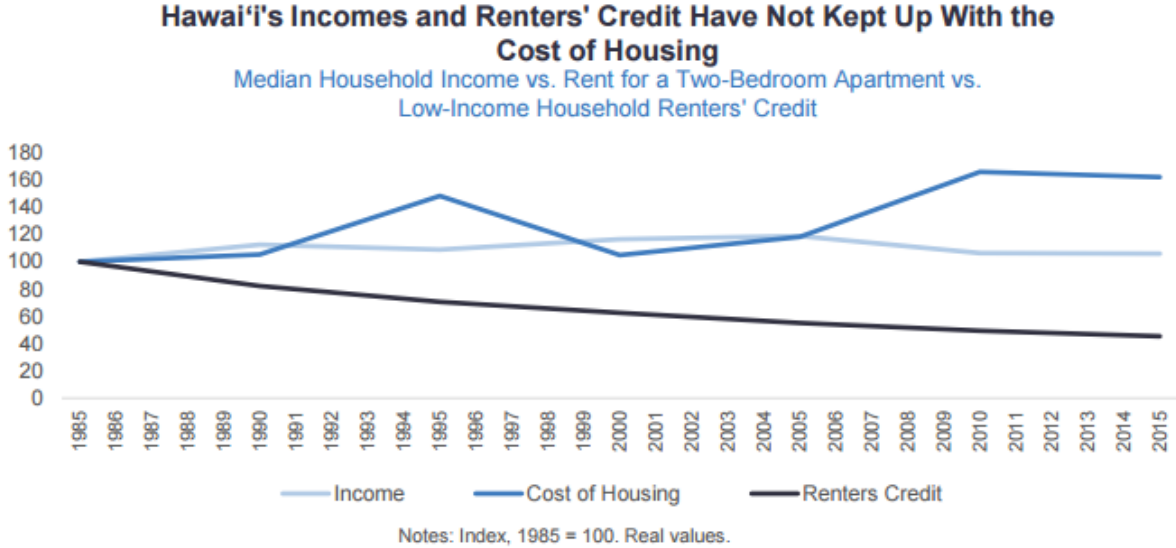
I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in strong support of House Bill 209, HD1, relating to taxation.

Hawai'i is exorbitantly expensive. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2016* report found that a full-time worker would need to earn \$34.22/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,100 in 2015, with average rent for a 900-square-foot exceeding \$2,200 in 2016. In the past three years alone, Honolulu rent has increased 23.5 percent. While 47 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$14.49/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs.

To help ease Hawai'i's highest-in-the-nation cost of living, lawmakers must pass measures enhancing tax fairness and economic justice. Enacting an earned income tax credit for working families—as 26 states and Washington D.C. have already done—would benefit 127,018 children and 309,800 residents, according to the Hawai'i Appleseed Center for Law and Economic Justice. Establishing a state EITC would reduce taxes on our most economically vulnerable neighbors, boost health and educational outcomes, and bring \$24 million dollars into our state each year.

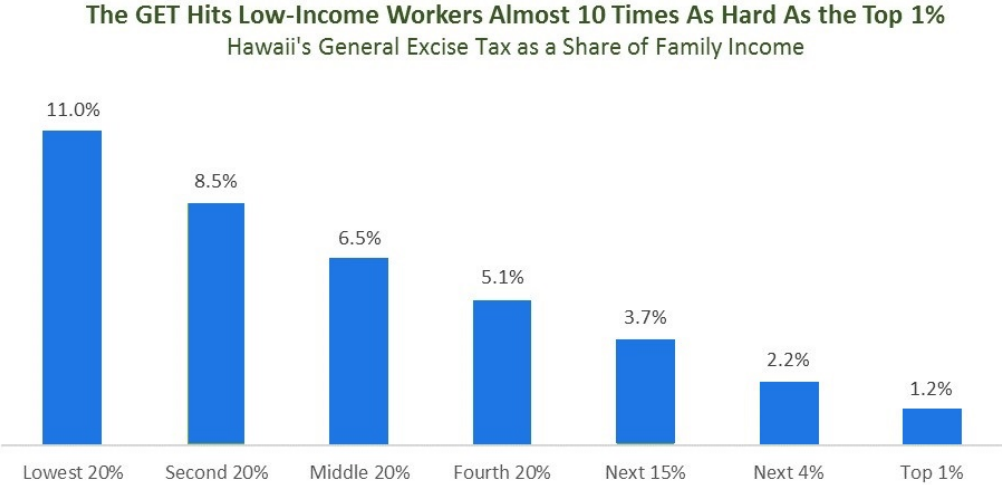
Similarly, the low-income renters' credit is in dire need of adjustment. In 1981, the LIHRC was set at \$50. Later, in 1989, the income eligibility cutoff was established at \$30,000, just above

the median household income of the time. Yet, neither of these amounts have changed since the 1980s, leaving the amount of the credit lagging far behind inflation and increases in the cost of housing for the 43 percent of Hawai'i households who are renters, as the following chart shows.



We must update the renters' credit to recover ground lost to inflation by increasing the maximum value of the credit to \$150 and income eligibility limits to \$60,000 in annual income for joint filers, once again a cut above our state's median income level.

Finally, the islands are subject to a general excise tax that regressively impacts the poor. Today, our state's lowest-income households pay over 13 percent of their income in taxes, while our highest earners pay 8 percent or less. The GET, specifically, hits low-income families nearly 1000 percent harder than high earners.



Hawai'i is in the minority of states that push low-income people deeper into poverty with an unequal tax structure. To rectify this problem, we urge you to reinstate the income tax our highest-income residents paid between 2009 and 2015, which would generate more than enough revenue to subsidize tax relief for indigent residents. Per the Institute for Taxation and Economic Policy, reinstating these tax rates would raise over \$75 million per year, about 90 percent of which would be paid by the top 1 percent of Hawai'i earners. Higher tax rates would apply only to taxable income earned above the highest tax bracket levels in effect from 2009 to 2015, and only after a taxpayer has subtracted exemptions and deductions, which can amount to tens or hundreds of thousands of dollars.

Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



March 20, 2017

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

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

Re: **HB 209 HD 1 – Relating to Taxation**
Hawaii State Capitol, Room 211, March 22, 2017, 9:30 AM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support HB 209 HD 1 – Relating to Taxation.

Approximately 15% of our children in Hawaii live below the Federal Poverty Line. There is extensive research that shows that economic hardship is linked with lags in cognitive and behavioral development as well as academic failure and poor health.

Hawaii's low-income families face the second highest tax burden in the nation. In Hawaii, approximately 43% of households are renters, the 4th highest percentage among the states. Almost 75% of Hawai'i residents that live at or near the poverty line spend more than half of their incomes on rent.

The state's Low-Income Household Renters Credit was created almost 40 years ago to help make up for the high tax rates that burden our low- and moderate-income renters. Yet, it has not been updated in nearly three decades to even account for inflation.

This bill provides key updates to the Renters Credit to recover ground lost to inflation by increasing both the maximum value of the credit and the income eligibility limits. It also creates a Working Families Credit to help people work their way out of poverty. **It is a key component to address the inequities that many of our children and families face and an excellent approach to lift children out of poverty and onto a better path in life.**

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

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. 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 2017 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2017policyagenda>.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 8:51 PM
To: WAM Testimony
Cc: Burdick808@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Alan B Burdick	Progressive Democrats of Hawaii	Support	No

Comments: PROGRESSIVE DEMOCRATS OF HAWAII strongly supports HB 209, but urges amendments to strengthen the bill. As you are aware, the bill, as currently written, does not include an automatic inflation adjustment for the Food or Renters' credits. We join in other advocates who ask for an amendment to provide for an automatic adjustment of the credits to account for inflation. We don't want to be in the same situation we are currently in of needing to request an inflation update five years from now—or 35 years in the case Renters' Credit, which hasn't been updated since 1981. We also request that the bill provide for TAX CREDITS, rather than eliminating the lower tax brackets, because refundable credits offer more targeted tax relief to those that need it the most. Every time someone pays for groceries or their rent, they get taxed through the General Excise Tax (GET). Even eliminating income taxes entirely on a low-income family won't return to them a portion of the money they paid on GET—only refundable credits like the Food, Renters' and Working Family credits can accomplish that. Thank you very much for providing Progressive Democrats of Hawaii with this opportunity to testify on this important tax-fairness bill.

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



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Toll Free: 1-866-400-1116
www.hawaiiancommunity.net

March 20, 2017

HB209, HD1 Relating to Taxation
Senate Ways and Means Committee
Room 211, State Capitol

RE: SUPPORT

Aloha e Chair and Committee Members,

I am writing on behalf of Hawaiian Community Assets, the State of Hawaii's largest nonprofit 501c3 HUD-certified housing counseling agency, to testify in **support** of House Bill 209, House Draft 1 which will create fairness within our State's tax system and promote a stronger local economy by expanding the low-income household renters' tax credit, establishing a state earned income tax credit, restoring income tax rates for high income brackets, and sustains the refundable food/excise tax credit.

According to the Corporation for Enterprise Development's 2016 Assets and Opportunities Scorecard, Hawaii ranks 50th in the nation among all states in housing cost burden for renters. 57.5% of all Hawaii renters pay more than 30% of their monthly income toward rent, up from 55.6% in 2014. This extremely high cost burden on our renters is due in part to the fact that rental income is subject to the General Excise Tax, and unit owners who must pay property taxes often include the costs in rent. At the same time, unlike homeowners who are able to claim mortgage interest deductions, tenants are unable to access similar relief. Combined with the fact that Hawaii has the highest cost of living in the United States, at more than 160% of the national average, our Hawaii renters are faced with major barriers as they try to build their asset wealth and achieve long-term financial stability.

Our State tax rate on low-income families makes the challenge of financial stability even worse. Currently, our lowest income workers and working families pay more than 13% of their income in state taxes, while the top 1% of earners pay just 7%. This has given our state the dubious honor of being 2nd on the Institute on Taxation and Economic Policy's list of states with the highest taxes on its poorest residents. This unfair tax structure results in us gifting our highest income earners with approximately \$75 million annually that could otherwise be invested strategically within our communities to tackle serious issues like the need for affordable housing

or to reduce a homeless rate that has skyrocketed to the highest per capita of any state in the nation.

Another area of concern is our Food and Renter Tax Credits. The Bureau of Labor Statistics Consumer Price Index Data shows that value of \$1 in 1980 is now \$0.34 cents today, yet the amount of our Renter Tax Credit has not been updated since 1980. At the same time, our state's Food Tax Credit is set to lose a quarter of its value if no action is taken by the legislature. By not updating our Food and Renter Tax Credits to reflect inflation, we are, at least in part, responsible for more of our families going hungry and facing homelessness year after year.

Alleviating Poverty in Native Hawaiian Communities

A [2014 Office of Hawaiian Affairs Study](#) showed that Native Hawaiians in Hawaii have the lowest median family income of all ethnic groups and must make their low earnings stretch further to support bigger families.

Tax credits could help some of these families in a big way. Based on the Department of Hawaiian Home Lands' mortgage delinquency report dated August 2016, a "Working Family Tax Credit" could help 95 native Hawaiian beneficiary families pay back their mortgage arrears to DHHL and prevent lease cancellation and homelessness. This would reduce the DHHL's mortgage delinquency rate by 38% and ensure native Hawaiian communities retain approximately \$6 million in home equity.

A Working Family Tax Credit could also provide resources for the down payment and closing costs necessary for the more than 24,000 beneficiaries on the Hawaiian Homelands waitlist to qualify for mortgage financing or to help all low income Native Hawaiian and non-Native Hawaiian workers and working families meet their current living expenses, including first month's rent and rental deposits as well as property taxes owed to their respective municipalities.

HB209, HD1 is legislation that would institute long overdue reforms that would get us closer to tax fairness by updating Food and Renter Tax Credits, establishing a Working Family Tax, and ensuring our highest income earners pay their fair share of state taxes. These improvements to our tax system are not just good for our low income working families and Hawaii overall, they reflect the truest sense of who we are as a community – one that believes in being pono.

Mahalo for the opportunity to provide my testimony in support of HB209, HD1 and encourage you to take action to provide critical relief to our low-income workers, working families, and Native Hawaiian communities.

Sincerely



Jeff Gilbreath
Executive Director

Board Members

President

Jason Okuhama
Managing Partner,
Commercial & Business Lending

Secretary

Marcus Kawatachi
Deputy Director,
Hawai'i Civil Rights Commission

Trina Orimoto

Clinical & Research Psychologist

Kaipō Kukahiko

Executive Director,
KEY Project

Miwa Tamanaha

Deputy Director,
Kua'aina Ulu 'Auamo

HACBED Staff

Brent N. Kakesako

Executive Director

Keoki Noji

Chief Operating Officer

Athena T. Esene

Bookkeeper & Office Manager

Malachi Krishok

Program Coordinator

Will Simmons

AmeriCorps VISTA

Avemaoe Galeai

Bookkeeping Intern

Foley Pfalzgraf

AmeriCorps VISTA

Date: March 17, 2017

To: Senator Jill N. Tokuda, Chair, Senator Donovan M. Dela Cruz,
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 HB209 HD1

Aloha Chair Tokuda, Vice-Chair Dela Cruz, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB209 HD1, which would help many economically struggling families in Hawai'i by improving the already-existing Food Credit and Renters Credit and creating a Working Family Credit that would be supported through restoring tax rates on Hawai'i's highest earners that were in place from 2009-2015.

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. HACBED also facilitated the Family & Individual Self-Sufficiency Program (FISSP) from 2008-2016, which administers the Internal Revenues Services' Volunteer Income Tax Assistance (VITA) program as a part of its larger asset building and financial education initiatives for needy families. As such, HACBED strongly supports the proposed bill that would provide needed assistance in the area of state taxes by updating the Food Credit and Rental Credit and creating a Working Family Credit. This necessary support can be paid for by reinstating the tax rates that were in place for our highest-income earners from 2009 to 2015.

The Family Economic Self-Sufficiency Standard (FESS) 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:

- 45.5% of families with two adults and two children;
- 45.3% of single-adult families with children.

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 HB209 HD1 would go a long way to supplement the needs of these families by:

- *Improving the Food Credit & Match Inflation* – update the food credit and income eligibility cut-offs to match inflation and schedule cost-of-living adjustments so that families can keep up with rising food costs to ensure their families are properly nourished.
- *Updating the Almost 40-Year Old Renters' Credit* – match the low-income household renters' credit and its income eligibility limits to inflation so that Hawai'i residents can stay in their homes due to the exponential rise in housing costs.
- *Creating a Working Family Credit* – enact a state credit that is set at 20% of the federal Earned Income Tax Credit (EITC), a bi-partisan praised anti-poverty tool, which supports families who are actively contributing to our workforce, is proven to alleviate child poverty and related child health, education, and earning issues, and has a multiplier affect on our economy as these workers are most likely to spend resources from the credit within their local community.

HB209 HD1 also has a solid proposal to support the above solutions by restoring higher tax rates on Hawai'i's highest-income residents, which sunsetted in 2015. According to the Institute for Taxation and Economic Policy, such a move would raise over \$75 million per year, with 90% of revenues raised coming from the top 1% of Hawai'i's earners and provide more than enough to pay for the needed solutions. Restoring these higher rates, which has essentially served as a tax break for Hawai'i's highest income earners would potentially provide the state with additional revenues for other budgetary needs.

HB209 HD1 would thus provide ongoing assistance to these families 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



TO: Chair Tokuda, Vice Chair Dela Cruz and the Members of the Senate Committee on Ways and Means

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: Wednesday, March 22, 2017; 9:30 a.m., Conference Room 211

RE: TESTIMONY IN SUPPORT OF HB 209 HD1 – RELATING TO TAXATION

We support the intent of HB 209 HD1 – Relating to Taxation. Hawaii has one of the highest cost of living in the United States. Wages are still far below to close any livable wage gap. While the minimum wage has increased, it is still not adequate enough to deal with the price disparity. As a result many of our families are living in poverty. This is a very real issue. Many families struggle to meet their basic needs. The paychecks of too many workers in Hawaii have fallen behind the ability to keep up with the costs of essential needs. This erodes the foundation of a strong economy and healthy working class. No longer can we say, “if we work hard, we will be ok.” That mantra simply no longer applies to our current economics.

We support this bill as it provides a solution to reduce income inequality and provide more tax fairness, thus allowing more people to keep what they earn. Currently, we tax the lowest earner at a rate of 13% while those earning the most pay 8% or less. We must provide a better approach to taxation as our current system is pushing people deeper into poverty – we are simply redistributing income away from those in poverty.

We support the tax initiatives like the Food Tax Credit and the Earned Income Tax Credit (EITC) that will ease the burden on our low income and working class families. These credits will make the tax system more equitable and adjust for the disparities of taxes such as the General Excise Tax – which has the greatest impact on our low income population. Keeping these credits relevant and up-to-date with the cost of living is also critical.

Research has also shown that there are other benefits for these tax credits. Access to EITC and Food Tax Credits have improved the health of children, increased education opportunities and performance which have long term positive impacts and combats our war on intergenerational poverty. EITC also promotes the power of work, which is an important step to reduce the income inequality. Our communities and economy will prosper more when work is rewarded and taxes are more equitable.

History has shown that as the economy has changed to negatively impact the most vulnerable and disadvantaged in our society, it has a direct tie to increased homelessness, crime, substance abuse, decreased health, and decreased social and economic well-being. These impacts have long lasting and multi-generational consequences and impact the war on poverty and homelessness.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii’s not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 16 programs. Among its services are: early education programs, domestic

violence prevention and intervention programs, child abuse prevention and intervention programs, child and adolescent behavioral health programs, and community building programs.

Thank you for the opportunity to testify in **support of HB 209 HD1**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 4:00 PM
To: WAM Testimony
Cc: mgolojuch@hotmail.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/17/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	Yes

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.

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March 22, 2017

To: Senator Jill Tokuda, Chair
Senator Donovan Dela CRuz, Vice Chair and
Members of the Committee on Ways and Means

From: Jeanne Y. Ohta, Co-Chair

RE: HB 209 HD1 Relating to Taxation
Hearing: Wednesday, March 22, 2017, 9:30 a.m., Room 211

POSITION: Support

The Hawai'i State Democratic Women's Caucus writes in support of HB 209 HD1 Relating to Taxation which would help working families in Hawaii by increasing the Food Credit and Renters Credit and by establishing an Earned Income Tax Credit.

This combination of reforms – improving the Food Credit and the Renters Credit, creating a Working Families Credit, and restoring revenues – would go a long way toward relieving the tax burden for those most squeezed by Hawaii's high costs and low wages.

Hawai'i has the highest cost of living in the nation, with prices more than two-thirds (68.6%) higher than the national average. One of the main contributing factors is our high cost of food. Hawai'i is one of only seven states that fully taxes groceries.

The amount of the Renters' Credit was last set 35 years ago, in 1981, at \$50 per exemption. The income eligibility cut-off was set in 1989 at \$30,000, which was just above the median household income at that time. Neither of those levels have been changed since then.

Earned Income Tax Credits help our communities because low-income families spend their refunds locally, on rent, groceries, and household necessities at local businesses. Providing these tax credits will help close the wage gap for low-income working families.

The Hawai'i State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii's women and girls.

We ask the committee to pass this measure and thank the committee for the opportunity to provide testimony.



Date: March 22, 2017

Time: 9:30 am

Place: Conference Room 211

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

Re: Support for HB209, Relating to Taxation

The Graduate Student Organization of the University of Hawai‘i at Mānoa stands in **support** of HB209.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters’ Credit, and creating a Working Family Credit that will help struggling families escape poverty. We can do that without losing revenue to support important state programs simply by reinstating the tax rates that were in place for our highest-income earners in 2015.

As students and workers, we reside almost entirely on the low end of the income scale. The tax structure of Hawaii impacts us particularly hard. Wages have stagnated for decades while living costs have skyrocketed, with many of our students living paycheck-to-paycheck. Our generation is forecasted to have less economic opportunity than our parents’ generation, something that should be unthinkable. Our unprogressive tax structure adds to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

Our periods of highest economic growth and real gains in wages and living standards for workers occurred at the same time as that of high progressive taxation for high income brackets. This is no coincidence. The ultra-wealthy should pay their fair share, so that we can create a better society for all of us together.

Thank you for the opportunity to testify,



Senate Ways and Means Committee
Chair Jill Tokuda, Vice Chair Donovan Dela Cruz

03/22/2017 at 9:30 AM in Room 211
HB209 HD1–Relating to Taxation

TESTIMONY –SUPPORT
Corie Tanida, Executive Director, Common Cause Hawaii



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


Common Cause Hawaii supports HB209 HD1 which would expand the low income-household renters' tax credit, establish a state earned income tax credit, restore income tax rates for high income earners, and remove the sunset date for the food tax credit.

Part of Common Cause's mission includes promoting equal opportunity for all. We believe that these "tax fairness" reforms will help individuals and families who are struggling with the high cost of living in Hawaii.

Thank you for the opportunity to offer testimony in **support of HB209 HD1**.



 | 808-733-7060
 | 808-737-4977

 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

March 22, 2017

The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: H.B. 209, H.D.1, Relating to Taxation

HEARING: Wednesday, March 22, 2017, at 9:00 a.m.

Aloha Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,200 members. HAR **opposes Part III of H.B. 209, H.D.1** which increases the income tax rate that was repealed on December 13, 2015.

In 2009, Act 60 passed when the economy was in a recession. This led Hawai'i to have the second highest personal income tax system in the nation with a top rate of 11 percent. The measure was allowed to sunset on December 31, 2015.

Under this measure, it returns the income tax bracket back to the pre-recession levels with the new 9% rate applies to taxable income over \$150,000 for Single, \$225,000 for Head of Household, and \$300,000 for Joint filers. The new 10% rate applies to taxable income over \$175,000 for Single, \$262,500 for Head of Household, and \$350,000 for Joint filers. The new 11% rate applies to taxable income over \$200,000 for Single, \$300,000 for Head of Household, and \$400,000 for Joint filers.

HAR believes with many of Hawaii's economies rebounding, it is prudent to keep the income tax rate to its pre-recession levels. The higher individual tax rates create a drag on the economy primarily because most businesses, like the real estate profession, operate in sole proprietorship and partnerships.

We should not continue to perpetuate Hawaii as having heavy taxes and a hostile business climate

Mahalo for the opportunity to testify.



To: Hawaii State Senate Committee on Ways and Means
Hearing Date/Time: Wednesday, March 22, 2017, 9:30AM
Place: Hawaii State Capitol, Rm. 211

Position Statement Supporting House Bill 209 HD1

Chair Tokuda, Vice Chair Dela Cruz, and committee members,

Thank you for the opportunity to testify in **STRONG SUPPORT** of House Bill 209, relating to taxation. This bill would improve the already-existing Food Credit and Renters Credit and create a Working Family Credit, all of which are targeted at low-income and working-class households.

The YWCA O'ahu oversees various economic advancement programs for women. In Hawaii, women with children are most likely to live in poverty.¹ Women are also more likely to receive assistance from the supplemental nutrition assistance program. We help women move from unemployed to advancing in their careers. We witness how hard these women work to make ends meet. Many work two or three jobs, while also caring for their families. Updating the existing credits and creating a Working Family Credit would mitigate some of the hardships women working in Hawaii face. Let's take this opportunity to invest in our residents.

Improve the Food Credit

Since 2007, Hawaii has had a Refundable Food/Excise Tax Credit designed to help ease the tax burden on basic necessities. The amounts that families could get back from the Food Credit were updated to catch up with inflation in 2015. However, that cost-of-living adjustment is scheduled to expire at the end of 2017, at which point the amount of the credit will fall back to its original level, or a maximum of only \$85. That would mean a drop of almost a quarter (23%) of its value.

Instead, we should update the amount of the Food Credit to make up for the inflation of the past two years, as well as schedule cost-of-living adjustments for the next four yearly increases so that the tax burden does not increase as living costs go up. That would mean increasing the maximum credit value to \$115 in 2018, \$120 in 2020, and \$125 in 2022.

In addition, the income eligibility cut-offs for the Food Credit have not been adjusted for cost-of-living increases since 2007, which means that fewer and fewer of our low-income and working-class families can claim the credit. We should raise the income thresholds to catch up to inflation and schedule increases for the next four years. That translates to raising the maximum annual eligible income level to \$58,000 (\$35,000 for single filers) in 2018, \$60,000 / \$36,500 in 2020, and \$63,000 / \$38,000 in 2022.

Support Hawai'i Workers

The Working Family Credit is a common-sense tax break that helps working people who struggle to get by on low wages and also boosts the economy. Creating this credit at the state level would enable low-wage workers to keep more of what they earn – money they will likely spend at local businesses, helping the community

¹ American Community Survey, 5 year estimate 2015.

eliminating racism
empowering women

ywca

O'ahu

Fernhurst YWCA

1566 Wilder Avenue
Honolulu, Hawai'i 96822
808.941.2231

Kokokahi YWCA

45-035 Kāne'ohe Bay Drive
Kāne'ohe, Hawai'i 96744
808.247.2124

Laniākea YWCA

1040 Richards Street
Honolulu, Hawai'i 96813
808.538.7061

ywcaoahu.org

economy. Modeled after the federal earned income tax credit, the Working Family Credit would reduce a person's tax liability and put their earned money back into their pockets.

The tax credit would also benefit Hawaii businesses, as the lower tax bills mean that recipients have more to spend on necessities like groceries and car repairs. Researchers estimate that the federal earned income tax credit creates local economic impacts equivalent to at least twice the amount of EITC dollars received.²

Update the Renters' Credit

The Low-Income Household Renters' Credit was created almost 40 years ago to help make up for the high tax rates that burden our low- and moderate-income renters. However, it has not been updated in nearly three decades and the effects of inflation have made the credit negligible.

The maximum value of the Renters' Credit should be raised to \$150 per exemption, and the eligibility threshold should be lifted back to just above the median income, up to \$60,000 in annual income for joint filers. The credit was set at \$50 per exemption in 1981. The income eligibility cut-off was set in 1989 at \$30,000, which was just above the median household income at that time. Both the credit and threshold need to be updated to meet their intended purpose.

We desperately need to alleviate the tax burden on renter families struggling to afford housing. Simply bringing this credit up-to-date will benefit approximately 83,000 households, as well as put a much-needed additional \$11.2 million into the pockets of Hawaii's low- and moderate-income families.

Hawaii has been waiting to pass a Working Family Credit for almost twenty years. The time is now to invest in families and workers. House Bill 209 reduces tax liability and puts money back into people's pockets. **The YWCA O'ahu respectfully requests that the State Committee on Ways and Means make a favorable report on House Bill 209 HD1.**

Kathleen Algire
Advocacy Coordinator

² Berube, A. & Holmes, N. (2015) *The earned income tax credit and community economic stability*. <https://www.brookings.edu/articles/the-earned-income-tax-credit-and-community-economic-stability/>

YWCA IS ON A MISSION



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 209: RELATING TO TAXATION

TO: Senator Jill Tokuda, Chair; Senator Donovan Dela Cruz, Vice Chair; and
Members, Committee on Ways and Means
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Wednesday, 3/22/17; 9:30 am CR 211**

Thank you for the opportunity to provide testimony **in strong support of HB 209**, which expands the income tax credit for low-income household renters, establishes a state earned income tax credit and removes the sunset for the food/excise tax credit. I am Terry Walsh, with Catholic Charities Hawai'i. This bill speaks directly to our advocacy priority of reducing poverty in Hawai'i.

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.

Every day, Catholic Charities Hawai'i receives calls from renters facing homelessness. 25% of the homeless become homeless simply due to lack of funds to pay the full rent. Rents shot up 45% between 2005-2012, but the average wage increased by only 21%. From 2012 to 2015, rents increased 23.5%, per Hawaii News Now (4/14/16). With soaring rents and high food costs, the cost of living in Hawaii is 60% higher than the national average! **Hawaii's low-income workers and renters are in crisis.**

Catholic Charities Hawai'i supports **the Renters' Tax Credit** since it would benefit about 83,000 households. It would make up for ground lost to inflation (the credit has lost about 60% of its value since inception in the 1980's). Updating the low-income household renters' credit will help us in the fight to reduce and prevent homelessness.

We support the **Working Family Credit** since it could eliminate state income tax bills for 11,000 families. Scaled to provide more relief to workers with children, this credit would help to stabilize kids' lives. It also helps the local economy since low-income workers usually spend their full refund at Hawaii businesses. It is estimated that \$1.50 to \$2 in local economic activity is generated by each tax credit dollar. You get a big bang for your buck with this tax credit!

We support continuing the **refundable Food/Excise Tax Credit** and request an Amendment to include an automatic inflation adjustment for the Food or Renters' credits. The GET has a big impact on low-income workers—almost 10 times that of the top 1%. Few states, besides Hawaii, tax food. The current Food/GET credit has not kept up with rising food costs. Refundable credits offer more targeted tax relief to those that need it the most.

We strongly urge your support of this important bill for tax fairness. Please contact our Legislative Liaison, Betty Lou Larson, bettylou.larson@catholiccharitieshawaii.org, or at 373-0356, if you have any questions.



From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 4:21 PM
To: WAM Testimony
Cc: dabitbol@chowproject.org
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Lusk	CHOW Project	Support	No

Comments:

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Jenny Nomura
Stephen O'Harrow
Cameron Sato

MAILING ADDRESS

P.O. Box 23404
Honolulu, Hawai'i 96823
www.adaaction.org

March 17 , 2017

TO: Honorable Chair Tokuda and Members of the Ways & Means Committee

RE: HB 209 HD1 Relating to Taxation
Support for hearing on March 22 at 9:30 a.m. in Room 211

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We strongly support HB 209 HD1 as it would expand the low income-household renters' income tax credit based on adjusted gross income and filing status. It would establish a state earned income tax credit. It would restore the income tax rates for high-income brackets that were repealed on 12/31/15. Removes the sunset for the refundable food/excise tax credit.

We concur with Appleseed on their proposed amendments:

Appleseed also recommended asking for the following amendments though:

HB 209, as currently written, does not include an inflation adjustment for the Food or Renters' credits, so we are requesting an amendment to HB 209 to provide for this adjustment. We don't want to be in the same situation we are currently in five years from now, or 35 years in the case Renters' Credit, which hasn't been updated since 1981.

We are also asking for tax credits rather than eliminating the lower tax brackets because refundable credits offer more targeted tax relief to those that need it the most. Every time someone pays for groceries or their rent, they get taxed through the General Excise Tax (GET). Even eliminating income taxes entirely on a low-income family won't return to them a portion of the money they paid on GET—only refundable credits like the Food, Renters' and Working Family credits can accomplish that.

The top fifth of income earners in the state in total pay about 7 percent of their income in taxes while the bottom fifth pay almost 14 percent. This is shamefully regressive.

Thank you for your consideration.

Sincerely,

John Bickel
President



Senate Committee on Ways & Means

Board of Directors:

Hawai'i Alliance for Progressive Action strongly supports: HB 209

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Katie McMillan

Walter Ritte Jr.

Karen Shishido

Leslie Malu Shizue Miki

Kekaulike Prosper Tomich

Cade Watanabe

Dear Chair Tokuda, Vice Chair Dela Cruz and members of the Committee,

My name is Anne Frederick and I am the Executive Director for the Hawai'i Alliance for Progressive Action (HAPA). HAPA is a statewide environmental, social and economic justice organization. HAPA engages over 10,000 local residents annually through our work.

From October through December of 2016 HAPA and several of our partners held a series of input gathering forums across the islands called the People's Congress. Over 800 people attended forums on Kaua'i, O'ahu, Maui and Hawai'i Island to discuss the most pressing issues facing their communities. Economic inequality was one of the top concerns and priorities raised by residents across the state.

I am writing to express our **strong support of HB 209**, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.



HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

Mahalo,

Anne Frederick, Executive Director
Hawai'i Alliance for Progressive Action

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 10:19 PM
To: WAM Testimony
Cc: annsfreed@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/21/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Hawaii Women's Coalition	Support	No

Comments: Aloha Chair Tokuda, Vice Chair Dela Cruz and members, The Coalition supports this tax fairness measure to help the poor and working poor in Hawaii. With the anticipated drastic cuts in federal funds for anti-poverty programs this measure is needed to keep our neediest citizens afloat. Please pass this potentially life/home saving measure. Mahalo, Ann S. Freed, Co-Chair, Hawaii Women's Coalition

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KIM COCO IWAMOTO, ESQ.

PO Box 235191
Honolulu, HI 96823
kimcoco@kimcoco.com

COMMITTEE ON WAYS AND MEANS
Hearing on Wednesday, March 22, 2017
9:30 AM in Conference Room 211

Testimony in **STRONG SUPPORT for HB209 HD1**

Dear Chair Jill N. Tokuda, Vice Chair Donovan M. Dela Cruz, and Committee Members,

I submit this testimony in **STRONG SUPPORT** for HB209 HD1.

Hawaii's tax scheme is regressive: lower income households pay a greater portion of their income than the state's wealthiest families. The tax reforms outlined in HB209, will not mitigate this inequity completely, but it is a start.

As an owner/manager of an apartment building with more than 50% of the units allocated to low-income and previously homeless families, I know an increased renters tax credit, refundable food/excise tax credit, and working families tax credit for low income households would go a long way in allowing these families to buy necessities, like school supplies and uniforms for work.

By restoring the higher tax rate for higher income households, I would probably pay more taxes; however, it is more important that we begin to address the economic injustices of our current state tax scheme. I, and others impacted by this particular rate restoration, will not go without; it will not change how we live our lives. Please keep in mind that even if this committee restores this higher rate of taxation, the lowest income households will still be paying a larger share of their incomes than we will - the inequity will continue, but this is a modest correction.

Sincerely,

A handwritten signature in black ink that reads "Kim Coco Iwamoto". The signature is written in a cursive style and is followed by a horizontal line.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 16, 2017 6:12 PM
To: WAM Testimony
Cc: makikirandy@yahoo.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/16/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ching	Individual	Support	No

Comments: Please pass HB 209 -- the tax fairness bill. It will help those people struggling financially. We can help lower income families without increasing state debt (revenue neutral). Mahalo.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 16, 2017 5:13 PM
To: WAM Testimony
Cc: blackbird4aloha@hotmail.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/16/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Merle Hayward	Individual	Support	No

Comments:

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From: [Marilyn Mick](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 1:25:29 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Marilyn Mick
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to adjust both the Renters and Food credits for inflation--both the amount of the credit and the income level necessary to qualify for the credits. These adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've given to this issue with passage out of your committee of SB 648, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Elif Beall](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 5:01:44 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Elif Beall
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Please support HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Erik Hinshaw](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 5:18:55 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Erik Hinshaw
RE: Testimony Supporting HB 209
ATTENDING HEARING: Yes

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

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I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Malia Darr](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 6:17:49 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Malia Darr
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Christina Fisher](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 6:48:12 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Christina Fisher
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Michele Nihipali](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 6:50:24 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Michele Nihipali
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Millicent Cox](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 6:51:56 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Millicent Cox
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

Please remember the less fortunate among use as you consider this bill.

From: [Michael deYcaza](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 6:56:08 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Michael deYcaza
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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From: [Jonathan Boyne](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 7:13:39 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Jonathan Boyne
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

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From: [Sam Small](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 7:56:09 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Sam Small
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

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From: [Malcolm Mackey](#)
To: [WAM Testimony](#)
Subject: *****SPAM***** HB 209
Date: Thursday, March 16, 2017 8:01:24 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Malcolm Mackey
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

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From: [April Bautista](#)
To: [WAM Testimony](#)
Subject: Support HB 209
Date: Thursday, March 16, 2017 8:13:12 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: April Bautista
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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From: [John Nix](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 8:17:14 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: John Nix
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

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From: [Debra Nix](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 8:17:52 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Debra Nix
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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From: [donald.erway](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 8:21:40 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: donald erway
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

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From: [Laura Ramirez](#)
To: [WAM Testimony](#)
Subject: *****SPAM***** HB 209
Date: Thursday, March 16, 2017 8:38:53 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Laura Ramirez
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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From: [Keri Zacher](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 8:45:20 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Keri Zacher
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

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I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [John Gelert](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 9:41:28 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: John Gelert
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Aloha State House of Representatives!

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

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Mahalo,
John Gelert

From: [Thomas Tizard](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 9:49:42 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Thomas Tizard
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

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From: [Benjamin Trevino](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 10:05:50 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Benjamin Trevino
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

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From: [Barbara Barry](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 10:51:50 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Barbara Barry
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Natalie Norberg](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 11:21:00 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Natalie Norberg
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Maile Edwards](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 11:33:13 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Maile Edwards
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Mary Spadaro](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Thursday, March 16, 2017 11:37:56 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Mary Spadaro
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

I strongly support HB209. I used to receive the low-income tax credit for renters. Now, I am one of those who would be laying more tax so that those who qualify will get that same benefit. I know what it is like to count every dollar and look for ways to cut every expense. I believe we owe it to our low-income residents to help them, however little it may be, with these tax credits.

I also support amending the bill to adjust for inflation.

sincerely,
Mary Spadaro
Honolulu

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits.

From: [Kris Bordessa](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 8:30:42 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Kris Bordessa
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Please accept my testimony in support of HB 209. Hawaii needs a fair tax system. Let's make sure that those who CAN are contributing their fair share and allow struggling residents a better chance to make ends meet.

We can do this without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

From: [Brandi Wilson](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 8:40:01 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Brandi Wilson
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Carolyn Dumeyer](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 8:40:15 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Carolyn Dumeyer
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Norris Thomlinson](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 8:43:55 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Norris Thomlinson
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Aloha,

I live in the Puna district on Hawai'i island, and see the daily struggles of so many to make a living. Local jobs are scarce, and long commutes eat significantly into time and take-home pay. I urge you to pass SB 648 to relieve some of the tax burden on the lower income residents of Hawai'i, restoring a more progressive tax structure. Ultimately this will benefit all residents with a healthier society.

Mahalo,
Norris Thomlinson
Kapoho, Hawai'i

From: [Tony Radmilovich](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 9:03:02 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Tony Radmilovich
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Daniel Gardner](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 9:08:16 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Daniel Gardner
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209. This legislation's passage will help make a fairer tax system for all of Hawai'i's residents.

Many Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past. My wife and I would be happy to pay the increased tax on our income over the threshold.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Laura Gray](#)
To: [WAM Testimony](#)
Subject: HB 209 Support
Date: Friday, March 17, 2017 9:48:18 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Laura Gray
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

In this age of offshore accounts and loopholes for the super-rich, corporate tax breaks, and corporate welfare, we in Hawaii with our all Democratic government should be able to have a fair tax code.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Shay Chan HODges](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 9:52:55 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Shay Chan HODges
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Nathan Yuen](#)
To: [WAM Testimony](#)
Subject: Testimony in Support of HB209 HD1, Relating to Taxation
Date: Friday, March 17, 2017 9:58:31 AM

I strongly support HB 209 HD1 which provides much needed economic relief to the families in greatest need in our community.

With our cost of living the highest in the nation and a regressive tax system that places the greatest burden on those on the lower economic rungs, we need a mechanism to redress the tax imbalance.

Please pass HB209 HD1 to give our working families much need economic relief.

Mahalo for this chance to testify.

Nathan Yuen
91-233 Hanapouli Cir #29T
Ewa Beach, HI 96706

From: [Stacy Soderholm](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 10:11:10 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Stacy Soderholm
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 2:50 PM
To: WAM Testimony
Cc: ulu80812@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/17/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
amy y. kimura	Individual	Support	No

Comments: Higher incomes should be taxed at higher rates. Low and moderate incomes should be taxed at lower rates or not at all so that they don't become homeless. In the long term, the legislature should consider removing the GET on essentials like groceries, which take up a larger proportion of low-income budgets, and replacing the lost revenue with a higher GET on luxuries. Mahalo for advancing this bill benefiting those who need it.

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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From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 4:33 PM
To: WAM Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/17/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	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.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 19, 2017 9:55 PM
To: WAM Testimony
Cc: lgrand@hawaii.edu
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/19/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Grandinetti	Individual	Support	No

Comments: Support tax equity!

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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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 19, 2017 10:11 PM
To: WAM Testimony
Cc: 333cory@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/19/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Cory Harden	Individual	Support	No

Comments: Aloha legislators, Please support this bill. Anything we can do to prevent homelessness is good! mahalo, Cory Harden

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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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 19, 2017 2:37 PM
To: WAM Testimony
Cc: sd3@hawaii.rr.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/19/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Douglas	Individual	Support	No

Comments: I could really use an increase in low income renter's tax credit.

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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In the age of Trump, when the most vulnerable appear to be the target of every policy coming out of DC, it falls to the states to step in and demonstrate decisive leadership.

Tax credits that let working people keep more of their hard-earned wages so that they can feed and clothe and house their families have proven to be effective poverty-fighting tools. It's time to deploy them.

The fact that the rich pay less than 8% of their income in state and local taxes while the poor pay about 13% should make us all cringe. And it should make us act now.

Please make these tax credits a reality this session. They are long overdue and they will help keep families from falling into houselessness.

Dawn Morais Webster Ph.D.

1, Keahole Place, #3501
Honolulu,
HI 96825

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 18, 2017 2:43 PM
To: WAM Testimony
Cc: katc31999@gmail.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/18/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kat Culina	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.

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 18, 2017 1:09 PM
To: WAM Testimony
Cc: audgere@yaho.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/18/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Audrey Tamashiro-Kamii	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.

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Randolph G. Moore
2445-A Makiki Heights Drive
Honolulu Hawaii 96822

Telephone (808) 778-8832

email rmoore@hawaii.rr.com

March 18, 2017

The Jill N. Tokuda, Chair
and members of the Committee on Ways and Means
The Senate
State Capitol
Honolulu, HI

Dear Senator Tokuda and members of the Committee:

Subject: HB 209 HD 1 (relating to taxation – tax credits for low-income households)

I strongly encourage your support of this bill with a near-term effective date.

Although the bill does not include a rationale, Hawaii's tax structure is regressive. Lower income individuals and families pay a higher proportion of their incomes in state taxes than do those at the upper end of the income scale. This is neither fair nor just.

The measures in this bill would make a dent in this problem by initiating a state earned income tax credit for low income households, increasing the tax credit for low income renters (which has remained unchanged since the 1990s!), removing the December 31, 2017 sunset of the food excise tax credit for low income households, and paying for these credits by restoring the higher tax on higher income households that expired at the end of 2015.

Folks at the higher end of the income ladder have continued to prosper since the higher state income tax brackets reached sunset at the end of 2015, while folks at the lower end have continued to struggle.

I would pay more taxes if this bill were enacted, but I think it's appropriate that we reduce the inequities in the current state tax structure.

Mahalo for your consideration.

From: [Marina Drummer](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 12:53:39 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Marina Drummer
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Michal Stover](#)
To: [WAM Testimony](#)
Subject: Please Strengthen HB 209
Date: Friday, March 17, 2017 1:07:57 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Michal Stover
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

I support HB 209 but urge the State legislature to strengthen it as to help make a fairer tax system for all of Hawai'i's residents. We need an automatic inflation adjustment added to HB 209 . We also need to add tax credits for the low income rather than merely eliminating the lower tax brackets.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Jonathan Boyne](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 2:18:39 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Jonathan Boyne
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Andrea Brower](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 3:14:42 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Andrea Brower
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Aloha members of the committee,

Please accept this testimony in strong support of HB209 for tax fairness.

Wealth inequality has reached unprecedented levels in the U.S. and globally. This is a crisis of morality and for humanity. More progressive taxation is one step to alleviate the suffering of those who are most marginalized by an unfair economic system.

Please pass HB 209 with an amendment for an automatic inflation adjustment for the Food or Renters' credits.

Mahalo,
Andrea Brower, PhD

From: [laurel brier](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 3:23:31 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: laurel brier
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents. My family may pay more under this proposal but I feel it is the right thing to do in fairness to all.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

From: [Thomas Tizard](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 4:17:46 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Thomas Tizard
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Anne Freeman](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 5:42:59 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Anne Freeman
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Karin Stoll](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 9:40:29 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Karin Stoll
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Scott Jarvis](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Friday, March 17, 2017 11:12:45 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Scott Jarvis
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony in support of HB 209, which will help make a fairer tax system for all of Hawai'i's residents.

So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. Refundable credits like these are necessary to provide tax relief targeted to those that need it the most, returning to them some of the money taken out of their pockets by the GET.

We can pay for these credits without losing revenue to support important state programs with a relatively small increase in income taxes for Hawai'i's highest-income earners, similar to what they have paid in the past.

While I strongly support this bill as written, I respectfully request that it be amended to include automatic inflation adjustments to both the Renters and Food credits--both the amount of the credits and the income level necessary to qualify for the credits. These automatic adjustments will ensure that we do not again experience a loss in the value of these credits over time.

I very much appreciate the careful attention you've already given to this issue of tax fairness, and ask that you also pass HB 209 to lessen the tax burdens on those in Hawai'i who can least afford it. It not only hurts them, but our entire community, economy, and future. Thank you for your consideration of this important bill.

From: [Margery Freeman](#)
To: [WAM Testimony](#)
Subject: HB 209 in support
Date: Saturday, March 18, 2017 9:40:18 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Margery Freeman
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Please vote in support of HB 209. Our tax system has always leaned heavily on low income people and is very unfair. I am a higher income person and would gladly pay more tax if it would mean less tax on low income people.

Please work with others to make some changes to the bill as it now stands to get the best possible taxes to relieve our lower income neighbors.

Please support HB209

Aloha,
Marge Freeman
Kauai

From: [Parker Croft](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Saturday, March 18, 2017 10:57:05 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Parker Croft
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Marion McHenry](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Saturday, March 18, 2017 1:08:35 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Marion McHenry
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Angelina Mercado](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Saturday, March 18, 2017 5:30:27 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Angelina Mercado
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Timothy Zhu](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Saturday, March 18, 2017 8:05:15 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Timothy Zhu
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Colette Faris](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Saturday, March 18, 2017 8:27:23 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Colette Faris
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

Additionally this bill should have automatic inflation adjustments. Enactment of this bill thru tax credits is a more efficient vehicle to provide fairness in tax relief.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Polli Oliver](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Saturday, March 18, 2017 10:49:59 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Polli Oliver
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Ann Keeler](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Sunday, March 19, 2017 1:27:48 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Ann Keeler
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Deanna Jackie Yanagisako](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Sunday, March 19, 2017 7:00:03 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Deanna Jackie Yanagisako
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

I am a retired state employee living on \$24,000 a year, and still pay Hawai'i taxes of approximately \$250 every year. Add to that monthly rent, food costs, HMO co-pay and medications makes it needless to say that I live on a very tight budget. Ironically, I recently learned that in order to die with some sense of dignity those meds will cost approximately \$4,000. What's left to say except "thank you" for your support of HB209.

Please

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding

the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Connell Watkins](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Sunday, March 19, 2017 7:04:12 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Connell Watkins
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Waika White](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Sunday, March 19, 2017 7:04:12 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Waika White
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

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While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 10:42 AM
To: WAM Testimony
Cc: bmurphy420@mail.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	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.

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Aloha Lawmakers,

I **SUPPORT HB 209**, Income Tax Credit; Low-Income Household Renters; Earned Income Tax Credit; Income Tax Rates; Refundable Food Excise Tax Credit.

Please, help the poorest among us. Hawaii is a vacation play-land, with luxury resorts, and endless recreational activities. We must help the folks that cannot afford any of the luxuries Hawaii's offers to tourists to enjoy. Folks that can barely pay their rent (to buy the house for a rich guy), and who eats whatever "Feed my Sheep" has this week.

I would also, like to suggest that Hawaii should raise/save 100's of millions of dollars by **legalizing marijuana**, while creating 1,000's of jobs, and raising much needed revenue to support, and expand, valuable programs like this one, **HB209, which I SUPPORT.**

Mahalo,

Mary Overbay

Maui, Hawaii

From: [Anne Thurston](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Monday, March 20, 2017 10:00:07 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Anne Thurston
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

I am glad to have the chance to express my support for HB 209. I am proud to know that Hawaii recognises the need to bring balance to the state tax system. At present we tax low income households heavily, which is creating a growing imbalance. Our lowest-income households pay over 13% of their income in state and local taxes; those at the top pay less than 8%. It is a waste of human potential, and it is simply not right. HB 209 will help people work their way out of poverty without affecting the state budget. It is a win-win for all and makes good economic sense.

Please stand with us on this issue. By adding automatic future inflation adjustments to the Renters and Food credits, we will be able to keep inflation from eroding the future value of the credits.

Thank you so much for your attention to my views on tax fairness.

From: [Lisa Darcy](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Monday, March 20, 2017 10:33:59 AM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Lisa Darcy
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Roger Epstein](#)
To: [WAM Testimony](#)
Subject: HB 209
Date: Monday, March 20, 2017 12:49:59 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Roger Epstein
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to submit testimony on HB 209, which will help make a fairer tax system for all of Hawaii's residents.

I have been a tax professional for 50 years (IRS in DC 1967-1972; private law practice in Hawaii 1972-2016). In view of the existing conditions in Hawaii and nationally, in my opinion, HB209 is an excellent small step in remedying some important inequities of our society. So many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages. Our state should not be adding to these struggles by making those who can afford it the least, pay the greatest share of their income toward taxes.

The GET hits low and moderate income families especially hard since it taxes even the most basic necessities. We need to relieve some of the financial pressure that the GET places on these families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit that will help struggling families escape poverty. We can do that without losing revenue to support important state programs simply by reinstating the tax rates that were in place for our highest-income earners in 2015.

With the current Federal administration, we are very likely to see even lower tax rates on the very wealthy, along with less federal funds available for local community services. Thus Hawaii and other states will have to decide how to keep their community residents from falling even farther below income levels needed to support a family. Reinstating the higher income tax brackets and using the funds for tax credits for the "working poor" is a highly efficient means for a state to accomplish fair taxation, because the wealthy get a tax deduction at higher federal rates for the extra tax paid, and the credits go to individuals in lower brackets, who therefore don't lose a significant portion of the credit benefit to higher federal taxes. In effect, the Feds absorb some of the cost of the increased state tax on the wealthy, while the credits don't generate much additional Federal tax cost to the recipients.

Moreover, although everyone complains about high income taxes, our current top rates nationally are well below the historical post WWII tax rates of 90% until 1964, when they dropped to 70% and later when the country was most prosperous to 50% until Pres. Reagan's supply side economics brought top rates down to 35% and Pres. Bush brought dividend tax rates down to 15%; all correspondingly resulting in our current 1:99 income and wealth allocation ratios.

In my 50 years as a tax professional, I have never met anyone who wanted to pay taxes, nor anyone who thought they had enough money. However, we cannot continue to tax people into poverty, while others have more income than they can possibly spend. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

March 20, 2017

TESTIMONY IN SUPPORT OF HB 209 RELATING TO TAXATION
for the hearing before WAM, 9:30 March 22, Room 211

TO: Chair Jill Tokuda, Vice Chair Donovan Dela Cruz
Members of the Senate Committee on Ways and Means

FROM: Barbara Polk

I am submitting testimony as a citizen concerned about the increasing homelessness in the state. **I strongly support HB209.** While we fret about homelessness and spend large amounts of money to shuffle homeless people around or arrest them, we need to be aware that poverty is a root cause of homelessness. Hawaii currently has one of the highest rates in the nation of taxing people who are trying to live on limited incomes, thus actively increasing the probability of homelessness for many people. Reversing this by expanding tax credits for low income renters, implementing a state earned income credit, adjusting tax rates to better balance the impact of taxes on individuals and families, and continuing the food and excise tax credit will help prevent people living on the margin from slipping into homelessness.

I strongly urge you to pass this entire package.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 9:07 PM
To: WAM Testimony
Cc: rkincaid@hawaii.edu
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ramona Kincaid	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.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 9:45 PM
To: WAM Testimony
Cc: drgamby@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tanya Gamby	Individual	Support	No

Comments: I support the passage of HB209. Aloha, Tanya Gamby

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 9:57 PM
To: WAM Testimony
Cc: pbjbarretto@msn.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Barretto	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 10:59 PM
To: WAM Testimony
Cc: begoniabarry@gmail.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Barry	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 11:35 PM
To: WAM Testimony
Cc: shakirabless@gmail.com
Subject: *Submitted testimony for HB209 on Mar 22, 2017 09:30AM*

HB209

Submitted on: 3/20/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Darbi Shakira Freeman	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:45 AM
To: WAM Testimony
Cc: tim.streitz@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/21/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tim Streitz	Individual	Support	No

Comments: I strongly support the provision in this bill for rent credit because this can be an effective way the State contributes to addressing affordable housing. Considering our existing housing stock, we can make it more affordable if residents get a discount on their rent. The rental credit in turn lead to higher disposable income for essential goods or savings towards a home purchase. Please also consider raising the credit amounts and/or income threshold to apply to households earning up to 80 percent of the area median income (\$53,700 for a one-person household, according to HUD).

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 7:55 AM
To: WAM Testimony
Cc: hkimball@hawaii.edu
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/21/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Kimball	Individual	Support	No

Comments: I am fortunate to have lived the American Dream. When I was just starting out, my family found it very difficult to make ends meet. Receiving the federal earned income tax credit helped us catch up on our bills and keep our families 15 yr old car running. With the help of the EITC I was able to finish college and get a good paying job but I still worked nights for 5 years while my husband worked days because we couldn't afford childcare. EITC gave us a little boost to pay for those big ticket items we need for our kids. Now almost 20 years later, my husband and I both have our own businesses, we employ people in our community and we make a comfortable living. We are able to save a little each month for retirement and pay for college for our kids. We have time to volunteer in our community. We are not one percenters but we may be affected by the reinstatement of the higher income tax rates in this bill. However, we still strongly support this bill. I was able to get help when I needed it which allowed us to become employers in our community today. I am happy to pay it forward, to help someone who needs a little help now achieve their dreams so they can be contributing members of our community. Mahalo, Heather Kimball

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TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Jacqueline Chico
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Patricia Gozemba
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Let me say at the outset, I am a taxpayer who would pay higher taxes under the plan that I am advocating for. This is fair. I want to pay more to support the hard-working folks who struggle to make ends meet.

The smiling faces in our hospitality industry are the faces of people who often underneath are struggling and on the verge of breakdowns because of their constant strain to live paycheck to paycheck. Not fair.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Karen Kahn
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

I believe strongly that higher income people, including myself, should carry a larger share of the tax burden. Hawaii has the highest cost of living in the country, yet earnings are low. About half of our population is living paycheck to paycheck. Imagine trying to make it in Hawaii on wages of \$12 per hour.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn. The EITC has proved to be very effective, and many states provide a state tax credit in addition to the federal tax credit. This helps put money in the pockets of working families, which then boosts the economy through consumer spending.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: A M
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Seena Clowser
RE: Testimony Supporting HB 209
ATTENDING HEARING: Yes

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Please let's pass HB209.

The cost of rent and food in Hawaii are high; any credits that can offset such costs should be given. Additionally, poor and working people can be further helped with a Working Family Credit. Now is the time for tax fairness.

I do benefit from the food and renter's credits. I consider the tax on food to be regressive, and most of my money goes to rent. The credits I am able to receive when I file state taxes certainly do help to pay for very basic needs. They will help more people when this bill passes.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

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I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

From: [Micah Washburn](#)
To: [WAM Testimony](#)
Subject: *****SPAM***** HB 209
Date: Monday, March 20, 2017 8:32:41 PM

TO: Senate Committee on Ways and Means
HEARING: Wednesday, March 22, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Micah Washburn
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to provide my testimony in support of HB 209, which will help restore balance to our state's tax system.

Hawai'i ranks second nationally in how heavily we tax our low-income households. In fact, we are in the minority of states that actually pushes low-income people deeper into poverty with taxes. As a result, nearly half of our state's residents live paycheck-to-paycheck.

Our lowest-income households pay over 13% of their income in state and local taxes, while those at the top pay less than 8%. A main reason for this is the General Excise Tax, which hits low-income and working-class families almost ten times harder than those at the top.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. HB 209 does that by updating the Renters' Credit for inflation, preventing the reduction of the Food/GET credit, and creating a Working Family Credit, all of which let low-income and working-class households keep more of what they earn.

HB 209 would make a relatively modest increase in the income taxes paid by Hawai'i's highest income earners, which the Institute for Taxation and Economic Policy estimates that would generate over \$75 million per year--more than enough to pay for needed tax relief for those most squeezed by Hawai'i's high costs and low wages. About 90% of the revenues raised would be paid by the top 1% of Hawai'i earners.

While I support this bill as written, I also suggest that you add automatic future inflation adjustments to both the Renters and Food credits -- for both the amount of the credits and the income level necessary to qualify for them. This will keep inflation from continually eroding the value of the credits.

I very much appreciate the careful attention you've already given to this issue and respectfully request that you pass this important bill for tax fairness.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:13 PM
To: WAM Testimony
Cc: tulsigreenlee@icloud.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/21/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tulsi Greenlee	Individual	Support	No

Comments: Thank you for supporting this bill. Tulsi

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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LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 22, 2017 6:16 AM
To: WAM Testimony
Cc: shannonkona@gmail.com
Subject: Submitted testimony for HB209 on Mar 22, 2017 09:30AM

HB209

Submitted on: 3/22/2017

Testimony for WAM on Mar 22, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments: STRONGLY SUPPORT!

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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