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To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Thursday, February 9, 2017
Time: 2:00 P.M.
Place: Conference Room 308, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 209, Relating to Taxation

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

H.B. 209 contains various income tax provisions as discussed below. The measure applies 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 to the low-income household 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 proposed amendments to this credit will reduce the marriage penalty, however, it also has the effect of favoring married taxpayers who file separately versus jointly. Married taxpayers who file separately can have income up to \$20,000 each and still qualify for the \$150 credit whereas the same taxpayers filing a joint return could only have \$30,000 income together in order to qualify for the same \$150 credit. If this is not the intent of this measure, the Department suggests correcting this issue.

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, as amended. The state EITC must be claimed within 12 months following the close of the taxable year for which the credit may be claimed.

The Department appreciates the intent of this Section, 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 for fiscal year 2013, the U.S. Department of the Treasury reported that approximately 22-26% of federal EITC payments went to taxpayers who improperly claimed the tax credit; this translates into approximately \$13.3 to \$15.6 billion dollars. For fiscal year 2015, the Internal Revenue Service estimated the error rate to be 23.8%.

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 Internal Revenue Service (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.

Finally, 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.

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 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, Session Laws of Hawaii 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.

Thank you for the opportunity to provide comments.

TAX FOUNDATION OF HAWAII

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

BILL NUMBER: HB 209

INTRODUCED BY: JOHANSON, BELATTI, CULLEN, HOLT, C. LEE, LOWEN, LUKE, NAKASHIMA, NISHIMOTO, QUINLAN, SAIKI

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: Upon approval, 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.

In addition, please also consider the following technical comments:

- Subsection (b) sets forth the amount of credit for a part-year resident but apparently does not allow any credit for a nonresident even though a nonresident may have Hawaii adjusted gross income. Lawmakers may want to make clear that residency in Hawaii for part of the year is required to qualify.
- 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) imposes 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. There is no connection to the state credit. One element of the penalty would have to be that the state credit was claimed.

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 retroactively to January 1, 2016.

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 all the disparity between these two population segments 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%.

The detail table is reproduced here:

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.

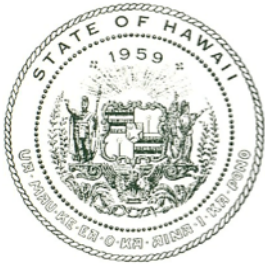
American Legislative Exchange Council, *Rich States, Poor States* 35-36 (8th ed. 2016) (available at https://www.alec.org/app/uploads/2015/10/RSPS_8th_Edition-Final.pdf).

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.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

COMMISSIONERS:

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CYD HOFFELD
JUDY KERN
MARILYN LEE
AMY MONK
LISA ELLEN SMITH

Executive Director
Catherine Betts, JD

Email:
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humanservices.hawaii.gov
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235 S. Beretania #407
Honolulu, HI 96813
Phone: 808-586-5758
FAX: 808-586-5756

February 9, 2017

To: Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair
Members of the House Committee on Finance

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

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

Thank you for this opportunity to testify in strong support of HB 209, 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.

Thank you for this opportunity to testify.



February 7, 2017

TIM VANDEVEER
Chair,
MARIE STRAZAR
Vice Chair

MARGARET WILLE
SEAN SMITH
Legislative Committee Co-Chairs

HB209
RELATING TO TAXATION
Friday, February 9, 2017 2:00 pm State Capitol, Conference Room 308

Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair
Committee on Finance

Submitted on Behalf of the Democratic Party of Hawai'i

The Democratic Party of Hawai'i supports HB209 "Relating To Taxation" which expands the low income renter's tax credit, establishes a state income earned tax credit, and restores the income tax rates for high income brackets that were repealed in 2015. **Each of the components of this bill is a DPH legislative priority for the 2017 Legislative Session.**

Respectfully submitted,

/s/ Tim Vandever (tim@hawaiidemocrats.org)
Chair of the Democratic Party of Hawai'i

/s/ Marie (Dolly) Strazar (hilomds@gmail.com)
Vice Chair of the Democratic Party of Hawai'i

/s/ Margaret Wille (margaretwille@mac.com)
/s/ Sean Smith (simashang@yahoo.com)
Legislative Committee Co-chairs



February 9, 2017

To: Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair and
Members of the Committee on Finance

From: Jeanne Y. Ohta, Co-Chair

RE: HB 209 Relating to Taxation
Hearing: Thursday, February 9, 2017, 9:30 a.m., Room 308

POSITION: Support

The Hawai'i State Democratic Women's Caucus writes in support of HB 209 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.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 11:54 AM
To: FINTestimony
Cc: mgolojuch@hotmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	No

Comments: The LGBT Caucus of the Democratic Party of Hawai'i stands in full support of HB 209

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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ADA

HAWAII

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MAILING ADDRESS

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

February 7 , 2017

TO: Honorable Chair Luke and Members of the Finance Committee

RE: HB 209 Relating to Taxation
Support for hearing on Feb. 9

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 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.

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



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 209 Relating to Taxation
House Committee on Finance
Scheduled for Hearing Thursday, February 9, 2017, 2:00 PM, Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Thank you for the opportunity to testify in **STRONG SUPPORT** of **HB 209**, 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.

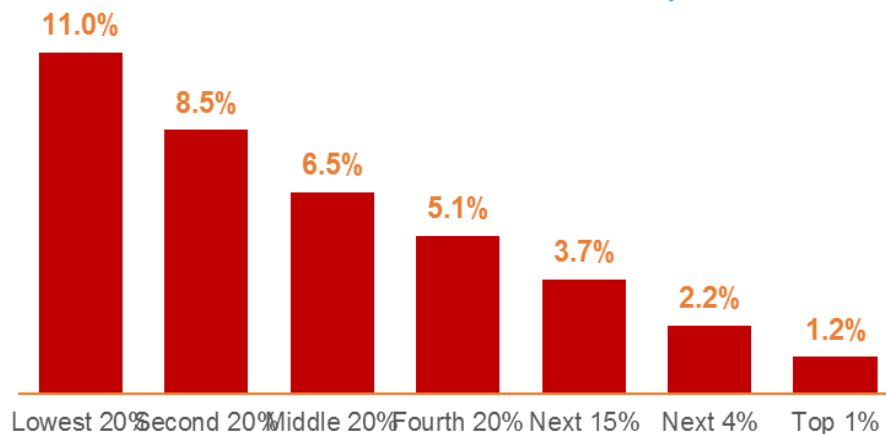
Hawai'i Ranks High for Tax Unfairness

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. 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 (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.

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

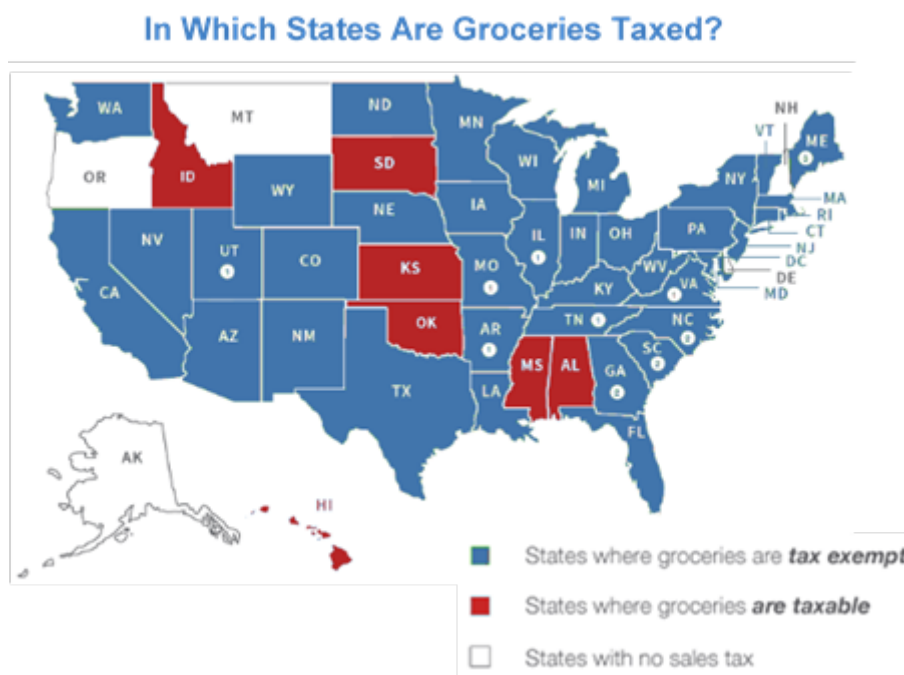
Hawaii's General Excise Tax as a Share of Family Income



As Hawai'i families struggle to put food on the table, 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.

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.



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.

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 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 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.

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.

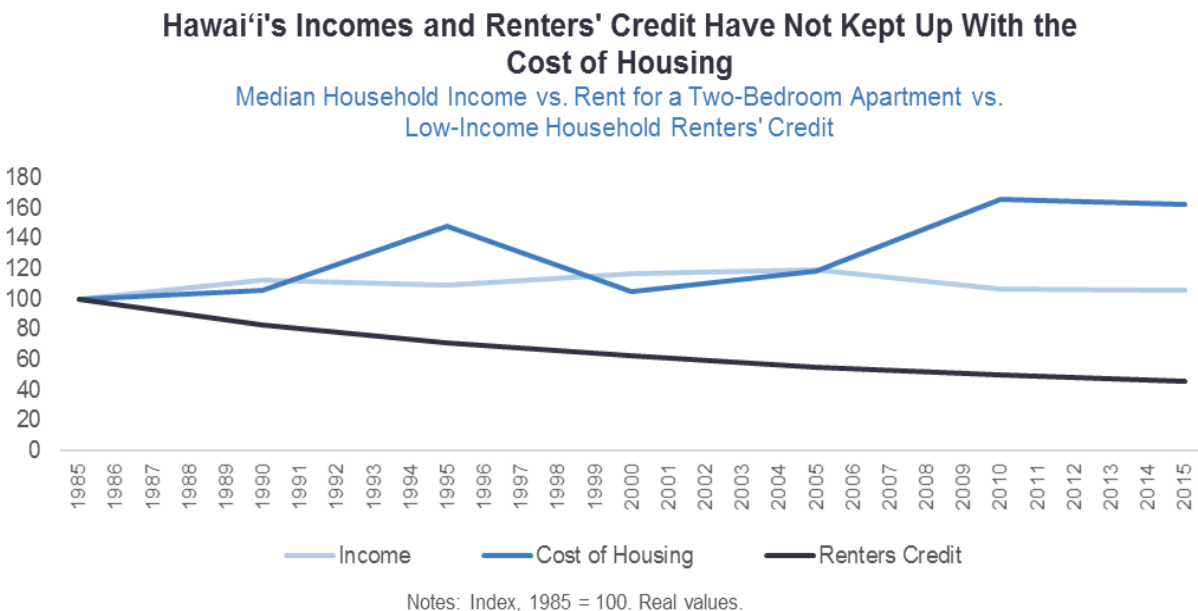
The credit is scaled to give greater relief to workers with children, so it is particularly effective at alleviating child poverty. For example, A single parent of one child, working full-time and earning the minimum wage, earns \$18,500 annually, and would owe Hawai‘i about \$172 in state income tax. A Working Family Credit set at 10% of the federal EITC would amount to \$332. That means they’ll get a tax refund of \$160 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.

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 Hawai'i'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 Families 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.

To: Hawaii State House Committee on Finance
Hearing Date/Time: Thursday, February 9, 2017, 2PM
Place: Hawaii State Capitol, Rm. 308

Position Statement Supporting House Bill 209

Chair Luke, Vice Chair Cullen, 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 job, 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 House Finance Committee make a favorable report on House Bill 209.**

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



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Malachi Krishok
Program Coordinator

Will Simmons
AmeriCorps VISTA

Avemaøe Galeai
Bookkeeping Intern

Foley Pfalzgraf
AmeriCorps VISTA

Date: February 7, 2017

To: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen,
Vice-Chair, and members of the Committee on Finance

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

Re: Strong Support for HB209

Aloha Chair Luke, Vice-Chair Cullen, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB209, 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.



HB209 - Testimony in Support
February 7, 2017 - Page 2

Through the FISSP surveys, families have indicated that they have used the money to manage daily expenses, eliminate debt, open and maintain savings accounts, purchase a new home, cover education costs, and start a business.

The passage of HB209 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 20% state credit that mimics 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 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 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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 9:44 AM
To: FINTestimony
Cc: dabitbol@chowproject.org
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Lusk	CHOW Project	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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200 North Vineyard Boulevard, A300
Honolulu, HI 96817
Ph: 808-587-7886
Toll Free: 1-866-400-1116
www.hawaiiancommunity.net

February 7, 2017

HB209 Relating to Taxation
House Committee on Finance
Room 308, 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 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. Our low-income families pay approximately 13% of their income toward state and local taxes, while those earning over \$400,000 pay closer to 8%. At the same time, our workers earn the lowest annual average pay rate in the nation, making it extremely difficult for our workers to afford our State's high cost of living (Corporation for Enterprise Development, 2016). While the legislature helped alleviate this burden through the refundable low-income household renters credit created in 1977, this credit has not been adjusted since the 1980s and is outdated and unable to meet the needs of our low-income Hawaii renters.

Without additional income, our low-income workers and working families are at greater risk of falling victim to homelessness. According to the National Alliance to End Homelessness, Hawaii has the highest homeless rate per capita in the nation. Furthermore, the 2016 Hawaii Point-in-Time Count identified that 58% of sheltered homeless individuals in our State are children, under age 18. A State Earned Income Tax Credit program would provide the financial resources to not only prevent our low-income workers and working families from becoming homeless, but also ensure that our State's economy would benefit from increased expenditures on food, public transportation, and commerce in general.

Without the type of relief offered by HB209, we will continue to see an increase in our homeless rate and greater cost burden placed on the shoulders of our renter families in Hawaii. As an organization that provides financial education and housing counseling to 1500 Hawaii families annually, we implore you to pass HB209 as a vehicle to address the financial burden and housing crisis that faces our low-income working families, our communities, and our State.

Mahalo for the opportunity to provide my testimony in support of HB209 and encourage you to take action to provide critical relief to our renter families struggling to afford housing and remain active contributors to our local economy.

Sincerely

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

Jeff Gilbreath
Executive Director

Helping Hawai'i Live Well

February 7, 2017

TO: Representative Sylvia Luke, Chair, Representative Ty Cullen, Vice Chair, and members of the House Committee on Finance

FROM: Trisha Kajimura, Executive Director, Mental Health America of Hawaii

RE: Testimony in support of HB 209

HEARING: Tuesday, February 9, 2017, 2:00 PM in CR 308

Thank you for the opportunity to testify in strong support of **HB 209**, 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, all of which are targeted at low-income and working-class households. This can be paid for by reinstating the tax rates that were in place for our highest-income earners from 2009 to 2015.

Mental Health America of Hawaii is a 501(c)3 organization founded in Hawai'i 75 years ago that serves the community by promoting mental health through advocacy, education and service.

Poverty is clearly linked to poor social and health outcomes. People living below the poverty line are especially hard hit in Hawaii, with the highest cost of shelter¹ in the country. A family of four in Hawaii pays 68% more for food than families on the mainland². This population is frequently teetering at the brink of homelessness. Any change to their financial situation like a decrease in wages or increase in rent will tip them over into homelessness. Increasing their resources through this measure is much more cost-effective than trying to help them out of homelessness once they have lost everything

The low-income working population in Hawai'i is large and is unfairly tax-burdened by our regressive GET. Economic stress for these families is significant and contributes to difficulties with mental health. Please implement these strategies to support our working families.

We thank you for your concern and dedication to helping the working poor in our community. **We urge your support for HB 209.** Thank you for the opportunity to submit this testimony. You can reach me at trisha@mentalhealthhawaii.org or (808)521-1846 if you have any questions.

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

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

COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/E-Mail: (808) 927-1214 / kat.caphi@gmail.com



COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty Cullen, Vice Chair

Thursday, February 9, 2017

2:00 pm

Room 308

STRONG SUPPORT HB 209 - TAX FAIRNESS OMNIBUS BILL

Aloha Chair Luke, Vice Chair Cullen 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 Appleseed'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:

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

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>

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>



Hawaii Women's Coalition

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

DATE: Thursday, February 9, 2017

TIME: 2:00 P.M.

PLACE: Conference Room 308

STRONG SUPPORT FOR HB209 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 for the refundable food/excise tax credit.

Aloha Chair Luke, Vice Chair Cullen and members,

The Coalition is in strong support of this economic justice bill. As you are no doubt aware, Hawaii has the highest cost of living in the nation; making wages the lowest. We rank second nationally in how heavily we tax our low-income households. Our lowest-income households pay over 13% of their income in taxes, while those at the top pay 8% or less. We join a few other states in actually pushing low-income people deeper into poverty.

The end result is that nearly half of our state's residents live paycheck-to-paycheck, with working women more adversely affected as they make less than their male counterparts to the tune of 83 cents on the dollar.

In Hawaii the statistics for those living below the poverty line demonstrate this inequity. 10 percent of men live below the poverty line compared to 12 percent of women, but sadly nearly 13 percent of children live in poverty in our state. The rates are much higher for single mothers, native Hawaiian women and other Pacific Islander women and girls.

This omnibus bill would, if passed, go far towards providing a safety net for working women and men and their families. With the heartless slash and burn philosophy coming out of the current administration in Washington, it would behoove us as a state to protect the most vulnerable among us. Tax relief seems to us to be a direct and simple way to help do that.

Please pass this important bill out of committee.

Mahalo for the opportunity to testify,

Ann S. Freed Co-Chair, Hawai'i Women's Coalition

Contact: annsreed@gmail.com Phone: 808-623-5676



February 7, 2017

To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
Committee on Finance

From: Karen Worthington, Project Coordinator
Early Childhood Action Strategy

Re: HB209 – Relating to Taxation
Hawaii State Capitol, Room 308, February 9, 2017, 2:00 PM

Position: Action Strategy supports HB209 Relating to Taxation

Dear Representative Luke, Representative Cullen, 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 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.

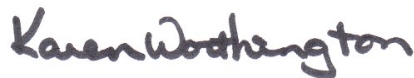
In 2016, Hawaii had the sixth-highest poverty rate in the country, using the Supplemental Poverty Measure. More than half of Hawaii's public school children qualify for free and reduced lunches because of low family income levels. Research shows that 127,018 children would benefit from increased financial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

The revisions to Hawaii's tax structure that are contained in HB209 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.

Action Strategy is committed to ensuring Hawaii's young children are healthy, safe and ready to learn and HB209 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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 6:16 PM
To: FINTestimony
Cc: wao-hsl@WeAreOne.cc
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

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

Comments: www.WeAreOne.cc

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Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice-President

Wednesday, February 8, 2017

House Committee on Finance
Hawaii State Legislature
State Capitol
415 South Beretania Street

Re: HB 209

Aloha Chair Luke, Vice Chair Cullen and committee members,

UNITE HERE Local 5 – a local labor organization representing 11,000 hotel, health care and food service workers throughout Hawaii would like to register our support for HB 209.

HB 209 would provide much needed economic relief to Hawai'i's families in greatest need.

The Renters' Credit has not been adjusted for inflation for over 35 years, while housing costs have gone through the roof. It's as if we have forgotten these struggling families. It's time to update the credit.

In addition, we cannot allow the update of the Food Credit from two years ago to lapse. We can't afford to keep going backwards on our taxation of families who are barely making ends meet.

It is a shame that Hawai'i's residents in poverty pay more in state taxes than all but three other states, yet our cost of living is the highest in the nation.

We ask for your support in passing HB 209.

Thank you.



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

February 09, 2017

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TO: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the House Committee on Finance

FROM: Natalie Okeson, Interim Executive Director, PHOCUSED

SUBJECT: Testimony in Support of HB209, RELATING TO TAXATION

Hearing: February 09, 2017 at 2:00pm
Conference Room 308

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 HB 209, which works to address the significant 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



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

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Joanne Lundstrom, Emeritus

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.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 209: RELATING TO TAXATION

TO: Rep. Sylvia Luke, Chair; Rep. Ty J.K. Cullen, Vice Chair; and Members,
Committee on Finance

FROM: Terrence L. Walsh, Jr., President & Chief Executive Officer

Hearing: Thursday, 2/9/17; 2:00 PM; CR 308

Thank you for the opportunity to provide written 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 the **removing the sunset for the refundable food/excise tax credit** since 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.

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





Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Thursday, February 9, 2017 at 2:00 P.M.
Conference Room 308, State Capitol**

RE: HOUSE BILL 209 RELATING TO TAXATION

Chair Luke, Vice Chair Cullen, and Members of the Committee:



The Chamber of Commerce Hawaii ("The Chamber") **opposes Part III** of HB 209, which restores the income tax rates for high income brackets that were repealed on 12/31/15. 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.



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

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

February 9, 2017

The Honorable Sylvia Luke, Chair
House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

RE: H.B. 209, Relating to Taxation

HEARING: Thursday, February 9, 2017, at 2:00 p.m.

Aloha Chair Luke, Vice Chair Cullen 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 9,000 members. HAR **opposes Part III of H.B. 209** 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 at the following rates, for singles earning \$150,000 or more per year and couples earning \$300,000 and above at 9 percent. The 10 percent rate is paid by singles making \$175,000 or more, or couples earning \$350,000 or above. The highest 11 percent tax rate is paid by singles earning \$200,000 or more, or \$400,000 for a couple filing jointly.

HAR believes that with the recession over and economy rebounding, it is prudent to keep the income tax rate to its pre-recession levels.

Mahalo for the opportunity to testify in opposition.





TO: Chair Luke, Vice Chair Cullen and the Members of the House Committee on Finance

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

DATE/LOCATION: Thursday, February 9, 2017; 2:00 p.m., Conference Room 308

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

We support the intent of HB 209 – 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**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.

From: Clare Loprinzi <clareloprinzi@gmail.com>
Sent: Wednesday, February 8, 2017 10:29 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: [NAME] [TOWN] DATE: Thursday, February 9, 2017 TIME: 2:00 P.M. PLACE: Conference Room 308
Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members, I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. 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 this 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. We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

--

Clare Loprinzi Traditional Midwife, CPM, MCH
Birth Sovereignty Board Member
www.mammaprimitiva.com
clareloprinzi@gmail.com

Birth Sovereignty supports basic public health measures and projects that create sovereignty in birth choices, health care access and environmental health as a vital component of broader cultural, social, economic and environmental sovereignty and justice issues.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 6:43 AM
To: FINTestimony
Cc: gkvierra@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
George Vierra	Individual	Support	No

Comments: I recall hearing that a tax on the wealthy expired in 2015. The wealthy or the top 1% in Hawaii do not worry about food, shelter and clothing like our low and middle income residents do. The best way to close the gap is to simply reinstate this tax. It will make a big difference in many of the problems we are already seeing in homelessness, in working families that don't get paid a living wage if you can combine it with other tax incentives like the renters credit, the food credit and the working families credit. We are second in the country at the rate we are taxing our low income families, something needs to be done.

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From: mailinglist@capitol.hawaii.gov
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To: FINTestimony
Cc: tampaltin@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tamara Paltin	Individual	Support	No

Comments: Aloha Representatives, I am an Ocean Safety Officer. I recently received a 16% raise and considering the often dangerous work we do I believe it is worth every penny. Since receiving that raise, life is a little bit easier financially for my family and I. Before receiving the raise we really were living paycheck to paycheck and many times the expenses of preschool, rent, electric, etc would cost more than we earned in a month and my husband works a part time job in addition to his full time job. I don't forget that this was made possible by Ocean Safety Officers breaking away from clerks and others in HGEA unit 3 and that my brothers and sisters in unit 3 are not making a living wage in Hawaii and that while their jobs are not life threatening they are still important and valuable. What this bill is asking for is tax equity, it talks about percentage of income being spent on taxes and it is the right thing to do. Please support tax equity many families in the lower income bracket are just barely holding it together and are one paycheck away from houselessness which we already know to be at crisis levels. Please support this bill.

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TO: CHAIR SEN. REP SYLVIA LUKE & VICE CHAIR REP TY J.K. CULLEN

FROM: PAUL JANES-BROWN, DEMOCRATIC PARTY DIST 24 VICE CHAIR, MAUI REP
KUPUNA CAUCUS, PRESIDENT PRECINCT 1 808-572-8000 (LL)

RE: HB 209

Aloha Madam Chair, Mr. Vice Chair and members of the committee

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 2nd highest tax burden in the country on our low-income households. Our lowest-income households pay over 13% of their income in taxes, while those at the top pay 8% or less. Faced with this one-two-three punch, almost half (48%) of our state's residents are living paycheck-to-paycheck.

To help our struggling neighbors, we need to come together and restore tax fairness in our state. We can do that by improving the already-existing Food Credit and Renters' Credit and creating a Working Family Credit, all of which are targeted at low-income and working-class households. This can be paid for by reinstating the tax rates that were in place for our highest-income earners from 2009 to 2015.

The Low-Income Household Renters' Credit was created in 1977 to provide meaningful tax relief to low- and moderate-income households in Hawai'i. However, it has not been updated in nearly three decades. In 1981, the LIHRC was set to \$50 per exemption. The income eligibility cut off was set to \$30,000 in 1989, which was just above the median household income at the time. Neither of those levels have budged since then.

72% percent of people in Hawai'i living at or near the poverty line now spend more than half of their incomes on rent, and more than half of Hawai'i's renters are cost-burdened, spending more than 30% of their income on rent.

The current value of the Renters' Credit came into effect in tax year 1981, and the current eligibility cutoff (i.e., the amount a household can make and still receive the credit) took effect in tax year 1989. Presently, a qualified filer with a Hawai'i Adjusted Gross Income (AGI) under \$30,000 who has spent at least \$1,000 on rent can receive a refundable tax credit of \$50 per qualified exemption.

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.

Mahalo nui loa for the opportunity to present this information to you and I know you will do the right thing for the benefit of the people of Hawaii.

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

Telephone (808) 778-8832

email rmoore@hawaii.rr.com

February 5, 2017

The Honorable Sylvia Luke, Chair
and members of the Committee on Finance
House of Representatives
State Capitol
Honolulu, HI

Dear Representative Luke and members of the Committee:

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

I strongly encourage your support of HB 209.

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.

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.

February 7, 2017

To: House Committee on Finance
From: Ivette Rodriguez Stern
Subject: **Testimony in Support of HB 209**

My name is Ivette Rodriguez Stern. I am a resident of Honolulu, and employed as a faculty at the University of Hawaii at Manoa – Center on the Family. I am providing personal testimony on HB 209.

Hawaii's high cost of living is particularly burdensome on low-income families with children, many of which struggle to meet basic living expenses such as food, child care and housing. Nearly a third of Hawaii's children are growing up in low-income families. Decades of research shows that growing up in financial hardship can have a profound impact on children's cognitive, social, emotional and physical development. Policies that promote family economic stability also support overall child well-being and improve life-long outcomes.

HB 209 would help many of our low-income families by improving the already-existing Food Credit and Renters Credit and by creating a Working Family Credit. The Working Family Credit, or Earned Income Tax Credit (EITC), has long been considered one of the most effective anti-poverty measures lifting millions of families out of poverty each year (both at the national level and in states that have an EITC) by allowing families to keep more of what they earn.

I thank you for the opportunity to share my support for HB 209.

Sincerely,



Ivette Rodriguez Stern

From: [Paola Rodelas](#)
To: [FINTestimony](#)
Subject: Support HB 209
Date: Tuesday, February 7, 2017 10:08:35 AM

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Paola Rodelas
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

My husband and I are young working professionals who live in Honolulu. Because of the high cost of housing and the burden of student loan debt that has plagued many in our generation, we will be renting for a very long time. Updating the renters' credit won't solve the housing crisis, but it will help working families like ours who have to rent.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: [Elif Cuceloglu Beall](#)
To: [FINTestimony](#)
Subject: Support for Tax Fairness HB209
Date: Tuesday, February 7, 2017 4:30:24 PM

DATE: Thursday, February 9, 2017

TIME: 2:00 P.M.

PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sincerely,
Elif Beall
Kilauea, HI

From: [Jemma Hartnell](#)
To: [FINTestimony](#)
Subject: HB 209
Date: Tuesday, February 7, 2017 3:55:53 PM

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Jemma Hartnell
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 10:32 AM
To: FINTestimony
Cc: clareloprinzi@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
clare loprinzi	Individual	Support	No

Comments: Crucial to pass this...too hard for us with so much tax....a lot of it unfair...low wages in islands....teachers barely making it...schools having hard time...give teachers low taxes

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Sent: Wednesday, February 8, 2017 10:30 AM
To: FINTestimony
Cc: garylhooser@hotmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Hooser	Individual	Support	Yes

Comments: I strongly encourage the House Finance Committee to vote YES for Tax Fairness. Hawaii's tax system is heavily weighted against low income working families and HB209 can help balance the scales between the top 5% and those that are living paycheck to paycheck. Please do the right thing and pass this measure forward intact with strong tax credits that support working families, renters and low income individuals.

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Capt. T. J. Davies, Jr. (Ret.)
909 Kapiolani Blvd # 601
Honolulu, HI 96814-2132
tjdavies@juno.com
808-593-1026

To: Committee on Finance, Rep. Sylvia Luke, Chair, Rep. Ty J.K. Cullen, Vice Chair

Date: Wednesday, February 9th, 2017, 2:00 p.m.

HB 209, Relating To Taxation: Income Tax Credit; Low-Income Household Renters; Earned Income Tax Credit; Income Tax Rates; Refundable Food Excise Tax Credit

Chair Luke, Vice Chair Cullen, and members of the committee:

My name is T. J. Davies Jr. I am 82 years old, retired and live in Kakaako. I am writing in STRONG SUPPORT of HB 209, Relating to Taxation: Income Tax Credit; Low-Income Household Renters; Earned Income Tax Credit; Income Tax Rates; Refundable Food Excise Tax Credit.

This bill will help bring greater balance to our tax system and help households who are struggling to make ends meet because of high state tax burdens.

This package (1) updates the Food and Renters' Credits so they keep up with inflation; (2) creates a Working Family Credit to help people work their way out of poverty; and (3) reinstates the tax rates that were previously in place for our highest-income earners so the bill doesn't impact the state budget.

I am an advocate for Kupuna issues and I am writing to ask for your support for HB 209. Your favorable consideration of this legislation is requested. Mahalo & Aloha

T. J. Davies Jr., Volunteer
Treasurer, AARP Chapter 60 Honolulu
Treasurer, Kokua Council for Senior Citizens of Hawaii Education Fund
Director, Hawaii Alliance for Retired Americans
Kakaako (District 26 / Senate District 12)

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 8:58 AM
To: FINTestimony
Cc: hkimball@hawaii.edu
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Kimball	Individual	Support	No

Comments: Aloha, I am fortunate enough to have lived the American Dream. When I was just starting out, my family couldn't make ends meet, so we had to take public assistance to feed our family. With this help 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. 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 are not be one percenters but we will 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 be 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 too can be contributing members of our community. Mahalo, Heather Kimball

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 8:53 AM
To: FINTestimony
Cc: Imuakako@ymail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Maria Taylor	Individual	Support	No

Comments: Less credit for developers and polluters and more for the citizens upon who's backs the gov't is carried.

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Sent: Tuesday, February 7, 2017 9:50 PM
To: FINTestimony
Cc: barbarapolk@hawaiiantel.net
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Support	No

Comments: I strongly support this bill. 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.

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Sent: Tuesday, February 7, 2017 9:37 PM
To: FINTestimony
Cc: 333cory@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

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

Comments: Aloha legislators, Way too many of our people are in poverty and homeless. Please act so Food and Renters' Credits will keep up with inflation, working families will get tax credits, and high-income people will pay their fair share. mahalo, Cory Harden, Hilo 209 is the top priority of the HI Tax Fairness initiative. HB 209 is a complete package that (1) updates the Food and Renters' Credits so they keep up with inflation; (2) creates a Working Family Credit to help people work their way out of poverty; and (3) reinstates the tax rates that were previously in place for our highest-income earners so the bill doesn't impact the state budget.

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Sent: Tuesday, February 7, 2017 8:41 PM
To: FINTestimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Camila Chaudron	Individual	Support	No

Comments: Thank you for the opportunity to testify in strong support of this measure, 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, all of which are targeted at low-income and working-class households. This can be paid for by reinstating the tax rates that were in place for our highest-income earners from 2009 to 2015.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 7:34 PM
To: FINTestimony
Cc: nataliejeanf@gmail.com
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
natalie Forster	Individual	Support	No

Comments:

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Sent: Tuesday, February 7, 2017 7:30 PM
To: FINTestimony
Cc: wkcombo@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Willow Krause	Individual	Support	No

Comments: Aloha, I support this measure in an effort to make taxation laws more for all residents of the state of Hawaii. I am a lifelong resident of Maui, zip code 96793. Thank you, Willow Krause

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Hawaii's taxes are regressive. That means the lower your income the higher your tax rate. Consider that those with low income pay the excise tax on every dollar they spend, while with higher income some of your money goes into investments etc which are not taxed by the excise tax. The excise tax punishes those living paycheck to paycheck. They need all the tax relief we can give them.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 7:29 PM
To: FINTestimony
Cc: ghantoat@live.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Vanessa Ghantous	Individual	Support	No

Comments: My name is Vanessa Ghantous and I am a Makawao, Maui resident. I SUPPORT this bill, rent has escalated to such an unbearable point, any tax relief should be implemented - particularly for people trying to survive below the poverty line.

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Sent: Tuesday, February 7, 2017 7:15 PM
To: FINTestimony
Cc: megan.pittsley@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Megan Fox	Individual	Support	No

Comments: HB 209 is a complete package that (1) updates the Food and Renters' Credits so they keep up with inflation; (2) creates a Working Family Credit to help people work their way out of poverty; and (3) reinstates the tax rates that were previously in place for our highest-income earners so the bill doesn't impact the state budget. Nearly half of our state's residents live paycheck-to-paycheck. Let's change that together by passing the Tax Fairness Bill!

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 7:07 PM
To: FINTestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

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

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 6:23 PM
To: FINTestimony
Cc: nihipalim001@hawaii.rr.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michele Nihipali	Individual	Support	No

Comments: HB 209 is a complete package that (1) updates the Food and Renters' Credits so they keep up with inflation; (2) creates a Working Family Credit to help people work their way out of poverty; and (3) reinstates the tax rates that were previously in place for our highest-income earners so the bill doesn't impact the state budget. I fully support this bill. Thank you for your consideration, Michele Nihipali 54-074 A Kam Hwy. Hauula, HI 96717

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 6:16 PM
To: FINTestimony
Cc: gkvierra@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
George Vierra	Individual	Support	No

Comments: Aloha Representatives, I am a strong supporter of tax equity. There was a time in my life where our family lived paycheck to paycheck and I have a large extended family that still lives paycheck to paycheck. I am saddened that Hawaii's tax laws often negatively impact those least able to afford it. Please consider reinstating the wealthy tax that expired in 2015 and using it to create equity for working families, renters and others

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Sent: Tuesday, February 7, 2017 5:42 PM
To: FINTestimony
Cc: johnnaylor@kula.us
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
John NAYLOR	Individual	Support	No

Comments: This bill will stimulate the Hawaii economy by putting a little more in the pockets of people who need it the most. They'll turn around & circulate it in Hawaii's economy.

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: Tuesday, February 7, 2017 4:42 PM
To: FINTestimony
Cc: norris@aktivix.org
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/7/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Norris Thomlinson	Individual	Support	No

Comments: 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

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 11:10 AM
To: FINTestimony
Cc: 808nateyuen@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Yuen	Individual	Support	No

Comments: I support HB 209. Hawaii's tax system is heavily regressive and unfair to people on the lowest economic rungs. HB209 can help restore the equity in our system for those who are living paycheck to paycheck. Please help those who are in greatest need in our community – your support on this bill is a vote for economic justice. Mahalo.

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From: [Dawn Morais Webster Ph.D.](#)
To: [FINTestimony](#)
Subject: HB 209
Date: Wednesday, February 8, 2017 9:52:03 AM

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Dawn Morais Webster Ph.D.
RE: Testimony Supporting HB 209
ATTENDING HEARING: Yes

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Advocates for tax fairness in HI were very encouraged by passage of Senate Bill 648 in the WAM Committee earlier this week. We are here today to ask the House to also weigh in as champions of the working poor. We who are lucky not to be struggling paycheck to paycheck should be embarrassed by how unfairly we, as the aloha state, treat the working poor. We need to do something about redistributing the unfair tax burden placed so heavily on the working poor.

We have heard many public pronouncements about the commitment to addressing homelessness. If this body is serious about doing something about homelessness, this bill which allows working people to keep more of their hard-earned, wages is something everyone should embrace,

I encounter the working poor often in my classroom at the University of Hawaii. They are students, often juggling two or three jobs, while trying to keep up with their academic obligations, pay tuition, and graduate on time without crippling debt. They come from families that depend on them to varying degree: to pay their own way through college, and help with family expenses.

They do not complain. They do fall asleep in class from exhaustion. Sometimes they just disappear. They do so from desperation. From having exhausted their resources and from a reluctance to articulate the pain and need they are going through.

This is no way to encourage millennials to improve themselves, become financially independent and become engaged in the civic life of the community. They and their families, the families of the working poor who are struggling to get by and put food on the table and get an education and pay for a roof over their heads, need help. HB 209 provides that help by simply restoring the tax on the wealthy that expired at the end of 2015 and passing the revenue to the working poor in the form of tax credits for working families, renters credit and food credit.

There is no new bureaucracy created and the benefit incentivizes work. The money that low income workers get to keep instead of paying to the taxman will be spent because they need to buy essentials. This is an approach that works.

Please let us do a better job of how we treat the poor. They are not asking for a handout. They deserve to keep more of their hard-earned wages so that they can survive without being a burden on the state. And without adding to the ranks of the homeless. Tax credits of a few hundred dollars can pull a family back from the precipice. It can help feed children. It can help students like the ones I encounter get the education they so desperately want and contribute to the economy.

We know that the earned income tax credit fights poverty. Experts from the left and the right tell us that. Several states have implemented state income tax credits because it is a proven poverty-fighting tool. There is no good reason why the aloha state is not among the more than 26 states that have done so.

Please pass HB 209. Thank you for your consideration of this important bill.

February 8, 2017

Sylvia Luke, Chair
House Finance Committee
Hawaii State Legislature

Ms. Luke and Members of the Committee,

I am submitting testimony in support of HB 209. I am not personally able to benefit from any of the effects of this legislation, as I am not a low-income individual, but I believe in tax fairness and compensating for the high cost of living in Hawaii. The people in our state pay a higher percentage of their income for food and housing than anywhere in the nation. So I am very clear that the tax burden on low-income families in Hawaii is far too high, and it is part of the reason that too many people are unable to move out of poverty and into a better standard of living. The cost of poverty to our state – essentially taxpayers - is high. We know the correlation between poverty and other anti-social behaviors and health issues, which requires the state to provide services that address them at that time. Let's be preventative in our thinking and give people a leg up. Livable wages and tax fairness go a long way to ameliorating poverty, and as such, this bill is an important piece of the puzzle. I urge you to pass HB 209.

Mahalo,

Michael Kramer
Managing Partner
Natural Investments
Kailua-Kona, HI

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 11:17 AM
To: FINTestimony
Cc: psolomonlcs@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Solomon	Individual	Support	No

Comments: I am testifying in support of HB209. Many Hawaii residents, including myself, are struggling to make ends meet. This bill will help us without a loss of revenue for important programs. Please pass HB209. Mahalo, Paul Solomon

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From: [Rev. Stanley Bain](#)
To: [FINTestimony](#)
Subject: HB 209
Date: Wednesday, February 8, 2017 8:48:24 AM

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Rev. Stanley Bain
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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. In addition they pay a higher percentage of their earnings for shelter-- when they can find it.

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. Personally, I know that I should be paying a higher portion of my income in state taxes. I am not wealthy, but as a retired person my pension is not taxed as income by the state. I resent getting a free ride off the backs of hard working residents trying to raise a young family.

It is long past time to put Aloha into practice for the hardest working residents in our state and to stop being the second worst anti-aloha state for taxing our low income families.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: [Brandon Duran](#)
To: [FINTestimony](#)
Subject: HB 209
Date: Tuesday, February 7, 2017 9:34:35 PM

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Brandon Duran
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Thank you for this opportunity to submit testimony in support of HB 209.

As a society our greatness must be defined by the ways we care for the vulnerable. 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Lead us to live into our Aloha and pass HB 209.

From: Jacqueline Kelley <808wahinesurfer@gmail.com>
Sent: Tuesday, February 7, 2017 8:37 PM
To: FINTestimony
Subject: HB 209

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Jacqueline Kelley
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

We need these breaks to live and it does not cost state anything... Show us you care about the people. 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: Steve Thatcher <stevep2p@gmail.com>
Sent: Tuesday, February 7, 2017 6:43 PM
To: FINTestimony
Subject: HB 209

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Steve Thatcher
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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 am a business owner of 32 years on Kauai. I have 7 employees and I pay them a pretty decent hourly wage, but they all still struggle to prosper here due to the costs of housing and living. Several have had to resort to living in their cars for a time to catch up financially. This is not good for them, my business, or our community! We need to do all we can to support our young folks that are just entering the job market and developing marketable skills. Having a financial/tax system that keeps them poor leads them to some poor personal choices that can haunt them for years. Please support this bill to give our people a chance to prosper and succeed here in Hawaii. Thank You.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

FIN-Jo

From: Andrea Brower <abro262@aucklanduni.ac.nz>
Sent: Tuesday, February 7, 2017 7:38 PM
To: FINTestimony
Subject: Strong Support for HB209

Andrea Brower, PhD Sociology
Anahola, Kauai

Please accept this testimony in strong support of SB 648. Economic inequality is a political and moral crisis. There is nothing inevitable about the level of inequality in society today, and we must right this wrong through policies that insure a more fair distribution of wealth. Nobody in a society that has as much material abundance as ours should go hungry, without shelter or other basic needs. This policy is a step in the direction of a more fair, compassionate society.

Thank you for your time and consideration of this most critical issue.
Aloha,
Andrea Brower

From: The Fabulous Davene <dgrant5@hawaii.rr.com>
Sent: Wednesday, February 8, 2017 10:47 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Davene Januszewski
Kalahelo, Kauai, HI

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

FIN-Jo

From: Christine Ahia <cahia@hawaiiantel.net>
Sent: Wednesday, February 8, 2017 10:25 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Christine Ahia
Hilo

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. In particular, the Food Credit and Renter's Credit need to be updated to ease pressure on our low and moderate income families who are hit hard by our GET. So many of our state residents are paid very low wages yet have to face our high cost of living. Here on Hawai'i Island, we have many people who are very poor and have difficulty making ends meet. Our communities here probably have the worst demographics in the state. Many families have to supplement their diets through hunting and fishing, as well as holding several jobs. I'd also encourage you to create a Working Family Credit to help these struggling families.

All of this can be done by the reinstatement of the tax rates that were in place for the highest income earners in 2015. Why was this rate dropped? It isn't fair for the families with lower incomes to be taxed at a high rate and keep them falling into poverty.

Please pass HB209 to help strengthen our families, economy, and future here in Hawai'i. This is an important bill very worthy of your consideration.

Mahalo,
Christine Ahia

From: Cheryl Lansker <clansker@msn.com>
Sent: Wednesday, February 8, 2017 9:57 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Cheryl Lansker, Papaikou, HI 96781

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: Tracy Hedgecock <flowergitha@yahoo.com>
Sent: Wednesday, February 8, 2017 8:13 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: [NAME] [TOWN] DATE: Thursday, February 9, 2017 TIME: 2:00 P.M. PLACE: Conference Room 308 Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members, I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. 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 this 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. We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Respectfully,
James Hedgecock

From: Harry Yoshida <sanseironin@gmail.com>
Sent: Wednesday, February 8, 2017 7:31 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Harry Yoshida
Honolulu

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Bart Dame
710 West Hind Drive, Honolulu, HI

HOUSE FINANCE COMMITTEE
Rep. Sylvia Luke, Chair
Rep. Ty Cullen, Vice Chair

Date: Thursday, Feb 9, 2017
Time: 2 p.m.
Place: Conference room 308

HB209, RELATING TO TAXATION

In STRONG SUPPORT

Good afternoon, Chair Luke, Vice-Chair Cullen and members of the committee,

My name is Bart Dame and I am testifying today as an individual in STRONG SUPPORT of HB209, an omnibus Tax Justice bill.

I use the phrase “Tax Justice” quite consciously as I share the widespread view, certainly among most Democrats and progressives, that our tax system is more just when it is based upon “the ability to pay.” That is, when higher income people pay a higher effective tax rate than middle and low-income earners. While Hawaii's income tax structure is pretty progressive, the combined effect of the various state and county taxes is actually REGRESSIVE, meaning wealthy people pay taxes at an overall lower rate than the rest of us.

This bill attempts to correct some of the unfairness of our tax system in order to bring it more closely in-line with the traditional Democratic and, I believe, widely supported principle of “ability to pay.”

I have attached a graphic which shows the actual effective tax rate paid by people at different income levels in Hawaii. We can see, at a glance, how unfair our system is. How low-income people pay at a much higher rate than the wealthy.

The main source of the regressivity of our tax system is our heavy reliance upon the GET, which provides approximately half of all state revenues. In my view, the GET is a very good tax. It is easy to calculate and easy to collect. It is RUTHLESSLY EFFICIENT at raising revenue for the state and applies to almost all transactions. It allows us to export a significant portion of the tax burden to tourists and part-time residents who escape the income tax and, even if they are property owners here, pay very low property taxes.

The downside of the GET, which must be acknowledged, is that it forces low-income people to pay a much higher effective tax rate than low-income people. So if we retain the GET as the main source of revenue, both commonsense and a respect for fairness requires that we be vigilant in creating mechanisms for overcoming that regressivity through the use of tax credits. Unfortunately, the legislature has, in my opinion, not taken this responsibility seriously and allowed the real value of the credits to be eroded by inflation as if that is beyond their control and something that just, somehow, happens while we are not paying attention. I believe it is unjust to NOT increase the tax credits for renters and to offset the GET on food in order to meet our collective obligation to make our system

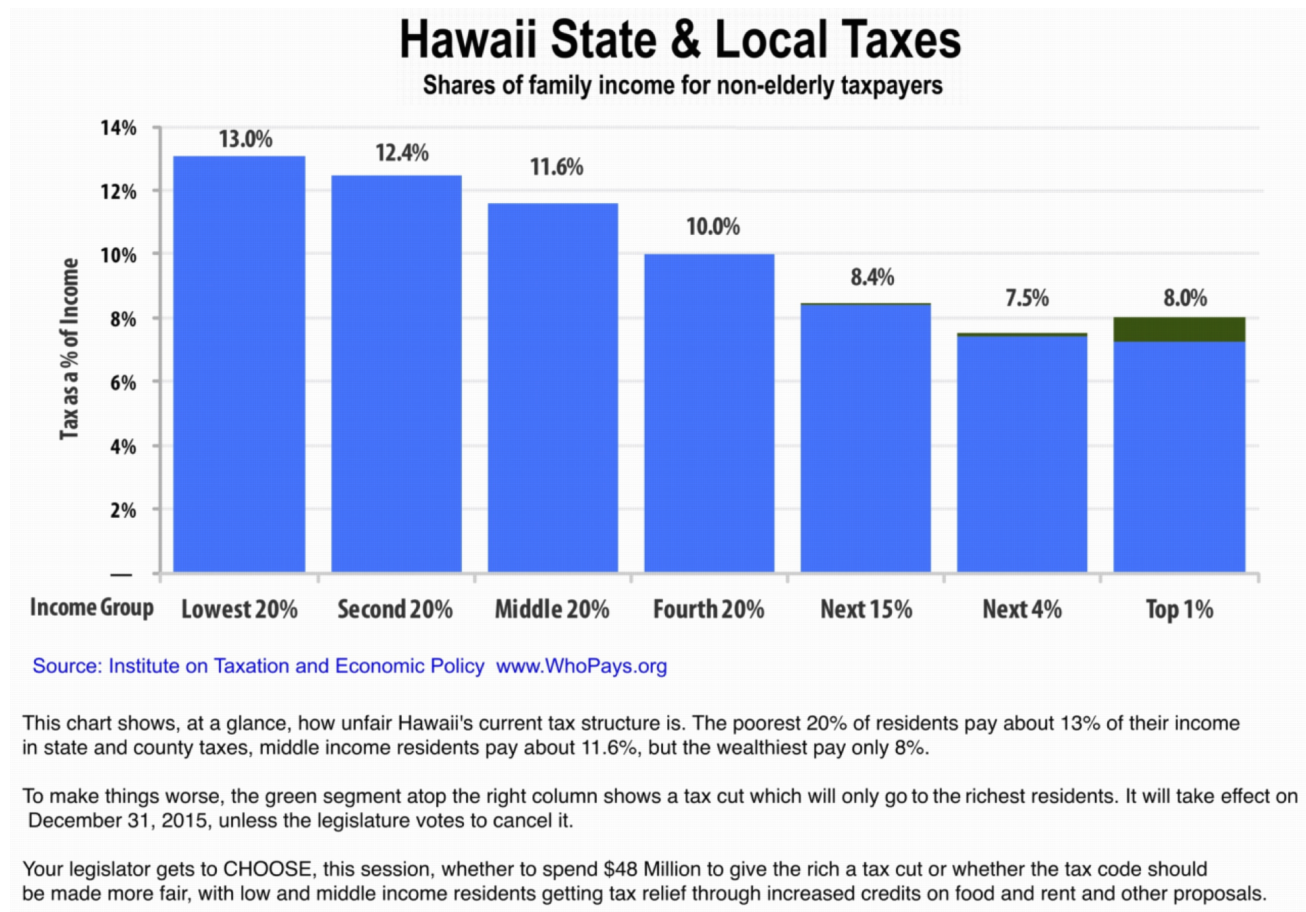
more progressive and help our middle and low-income residents.

Fortunately, this package of tax bills includes a method to redress the unfairness AND raise sufficient revenue to pay for the credits. That is by re-instituting what had been a temporary increase in the marginal tax rate on high-income residents. The decision to allow the higher rate to “sunset” had been justified at the time as an obligation, as the tax had been imposed with an explicit promise that it would sunset after 5 years. That promise was kept, but the underlying unfairness of the system, as well as the budgetary needs of the state to fund its programs, still remains. This bill would re-impose that higher marginal rate. I think that is appropriate and urge passage of this bill.

Thank you for this opportunity to testify.

ATTACHMENT: Tax Burden Chart

NOTE: This chart is from 2015, but is essentially unchanged. It does not reflect the small increase in the GET food tax credit granted that year, but that credit is due to sunset if it is not extended this year. The dark green area atop the right-most column represents the tax collected under the higher 115 marginal tax rate. That tax has been repealed, dropping the effective rate for high earners to only the slightly lower amount. If it is restored, the chart will reflect the new distribution of the tax burden.



From: Susan Douglas <sd3@hawaii.rr.com>
Sent: Wednesday, February 8, 2017 7:26 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Susan Douglas
Kihei, HI 96753

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 11:21 AM
To: FINTestimony
Cc: joyce@jliconsultinghawaii.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Lee-Ibarra	Individual	Support	No

Comments: I am writing to voice my strong support for HB 209. Given that the state of Hawaii has one of the highest costs of living in the US, supporting fair tax policies that reduce the burdens on those least able to pay is in our civic and ethical interest. Hawaii prides itself on its aloha—not just for individuals and families at the highest end of the income spectrum, but for everyone who is part of our community. HB 209 extends that spirit of aloha to those among us who may struggle to make ends meet, yet are working to step out of poverty. In other words, HB 209 is a way for us to put our island values into practice through economic policy. As numerous articles have detailed, including this one by Hawaii Public Radio (<http://bit.ly/2k4pTNb>), our state’s lowest income earners pay taxes at nearly twice the rate of our highest income earners. Nearly 50% of Hawaii residents indicate they live paycheck-to-paycheck. Taking steps to ensure a more equitable tax system is one way to begin addressing the financial pressures that so many members of our community feel. Please pass HB 209, and thank you for the opportunity to testify. Joyce Lee-Ibarra joyce@jliconsultinghawaii.com

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FIN-Jo

From: Laurel Brier <browerr001@hawaii.rr.com>
Sent: Wednesday, February 8, 2017 7:09 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

Laurel Brier

Anahola, HI

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

I have worked the State of Hawaii as a Vocational Counselor for over 30 years with people with disabilities and are usually the lowest wage earners when they are able to find work. This is the right thing to do. Thank you for making us a State to stand for Justice for All.

Mahalo nui loa

Laurel Brier & family



This email has been checked for viruses by Avast antivirus software.
www.avast.com

From: Brooke Prim <nellelwick@yahoo.com>
Sent: Wednesday, February 8, 2017 6:41 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Brooke Prim, Tucson, AZ/Glenwood, HI
DATE: Thursday, February 9, 2017 TIME: 2:00 P.M. PLACE: Conference Room 308 Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members, I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. 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 this 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. We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

FIN-Jo

From: Neil Frazer <neilfrazer@icloud.com>
Sent: Wednesday, February 8, 2017 4:43 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Neil Frazer
112 Haokea Drive
Kailua, HI 96734
Strong support of HB209

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Aloha Chair Luke, Vice Chair Cullen, and Finance Committee Members,

Please accept this email testimony in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

The GET is a very regressive tax because it taxes the basic necessities. We could relieve some of the financial pressure that the GET places on struggling families by updating the Food Credit and Renters' Credit, and creating a Working Family Credit.

We can do this with no net change in revenue by reinstating the tax rates that were in place for our highest-income earners in 2015.

If passed, HB209 will almost certainly result in my having to pay higher taxes, but I strongly support it anyway. There is considerable evidence that simple poverty is the root cause of many societal ills, such as domestic violence, drug abuse, and child abuse. We are all in this together, and the fate of our neighbors' children is ultimately the fate of all of us.

Please pass HB209.

Mahalo for your unselfish service to the people of Hawaii.

-Neil Frazer

From: Tom Tizard <tizard8@hawaii.rr.com>
Sent: Tuesday, February 7, 2017 10:30 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Thomas Tizard
Kailua

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

FIN-Jo

From: jean.m.purdy <jean.m.purdy@gmail.com>
Sent: Tuesday, February 7, 2017 9:37 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: [NAME]
[TOWN]

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

As a woman in my middle 40s I should not have to struggle as much as I do to make ends meet. I live paycheck to paycheck, overwhelmed by the high cost of living, high food prices, and student debt from attending UH. I only participate in free outdoor activities and have no additional money to spend at local businesses, which in turn hurts our business community. The local businesses struggle to stay afloat by resorting you paying get employees low wages. I can go on and on with this story but I'm assuming you see the viscous cycle that is created.

If your response to this is ,"Move to the mainland if you cannot afford", then you are truly blind to all the issues facing Hawaii residents. The middle class is disappearing, the lower is class is being being forced onto the streets, and now only foreign investors can afford to purchase homes on Oahu.

Please give the residents of this state the tax credits we so desperately need. I would love to not only get out of debt, but be able to reinvest and support the community.

We can do this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Jean Marie Purdy

Sent from my T-Mobile 4G LTE Device

From: robycamibesly <robycamibesly@gmail.com>
Sent: Tuesday, February 7, 2017 8:40 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

Roby Besley
Honolulu

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Mahalo for your consideration of this important bill.

Sent from my Samsung Galaxy smartphone.

From: George Hoffberg <kauaigeo@gmail.com>
Sent: Tuesday, February 7, 2017 7:20 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: [NAME]george hoffberg
[TOWN]kihei

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: kshimata@hawaiiantel.net
Sent: Tuesday, February 7, 2017 7:17 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We should not continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: Sherry Pollock <gaiasbeloved@gmail.com>
Sent: Tuesday, February 7, 2017 7:11 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Sherry Pollick
Anahola

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sincerely,
Sherry Pollock

From: Javier Mendez <mendezj@hawaii.edu>
Sent: Tuesday, February 7, 2017 7:07 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

Javier Mendez
1326B Alewa Dr., Hon., HI 96817-1200

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: islandguys2@hawaiiantel.net
Sent: Tuesday, February 7, 2017 6:57 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

Ann Keeler (Herkes) Kapa'a

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents, especially those who struggle to survive.

Many of Hawai'i residents are struggling to make ends meet, faced with our high cost of living and low-wages many people work two or three jobs. Even as a teacher I need to work to jobs to actually have any spending money and these days to be able to send my college son money to help out. 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. Those on the high end need to pay their fair share and not get out through loops in the system.

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. long with this another idea is to increase taxes on activities that generally visitors participate in along with cruise ships and all the garbage they bring with them. they should be charged by the pound that they put into our fragile ecosystems.

We can do this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. It hurts na keiki and future generations. Please pass HB209. Thank you for your consideration of this important bill.

Malaho for taking the time to move forward and be pono.
A hui hou,
Ann Keeler (Herkes)

FIN-Jo

From: Charles Bronson <chasbronson1@icloud.com>
Sent: Tuesday, February 7, 2017 6:33 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Charles Bronson
Kilauea

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. It seems to me that this piece of legislation is good for the bottom half (or is to the bottom 90%?) of our residents.

The tax system in the US is whacked, and, I believe, in our state it is particularly difficult since the cost of living is so high and the jobs are so low-waged, relatively.

Everyone in the US is living paycheck to paycheck, and our elected officials seem to miss this fact as they live in an insular world. In our state, I am grateful that we have potentially-enlightened legislators. Lets take a stand and alleviate the pain that the lowest social strata shoulders. Who can possibly live a quality life if 50/60% of their income goes to cover the essentials???

GET hits this population disproportionately since it taxes the basic necessities, yes? We need to update the Food Credit and the Renter's Credit to relieve some financial pressure for lower income families! And we need to create the Working Family Credit!

One way to do this without losing the revenue needed for these state programs is to go back to the tax rates pre-2015, when the highest-income workers paid more.

It's almost impossible now, in Hawaii, to avoid poverty. The middle class is hurting! So, we cannot tax burden people into poverty. It hurts Hawaii's families!

Please pass HB209.

Thank you for passing your this important bill.

Charles Bronson
chasbronson@gmail.com
Skype: chasbronson
linkedin.com/in/charlesbronson

FIN-Jo

From: Ronni <changeamerica@gmail.com>
Sent: Tuesday, February 7, 2017 6:01 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Ron Taylor
Keaau, Hi 96749

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I SUPPORT THIS BILL!

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sincerely

Ron Taylor

From: Susan Stayton <susan.stayton@gmail.com>
Sent: Tuesday, February 7, 2017 5:46 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Susan Stayton
Lawai, Kauai, HI

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Thank You for your consideration,

Susan

From: Tamara Paltin <tampaltin@gmail.com>
Sent: Tuesday, February 7, 2017 5:21 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Tamara Paltin
West Maui

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. I am an Ocean Safety Officer, this past July my coworkers and I received a 16% raise after separating from HGEA unit 3 due to the increasingly dangerous nature of our work. Prior to receiving that raise, we were a paycheck to paycheck family many times the cost of preschool, rent, utilities and food costing more than my husband and my full time jobs and his additional side job income would cover. Now we are doing ok, even with my husbands truck breaking down we were able to trade it in for an upgrade. I am in support of this bill because although our family is doing ok, there are many others who are still struggling. Unit 3 is made up of clerks, and hospital workers and they are not paid a living wage, many of them are women and or single parents struggling to make ends meet. This has a negative affect on the keiki. 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 this without losing revenue to support important state programs simply by reinstating the tax rate s that were in place for our highest-income earners in 2015.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

FIN-Jo

From: Fisher <goldenheart1@me.com>
Sent: Tuesday, February 7, 2017 5:08 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Christina Fisher
Hilo

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 (I am sixty-five living on social security) 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 this without losing revenue to support important state programs simply by reins tating the tax rates that were in place for our highest-income earners in 2015.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Thank you very much.

From: irisanne1@aol.com
Sent: Tuesday, February 7, 2017 5:10 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Doris McGowan
Hanapepe

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: mdeycaza <mdeycaza@yahoo.com>
Sent: Tuesday, February 7, 2017 4:55 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Michael deYcaza
Honolulu

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.
Sent from my BLU smartphone device

From: Fred Dente <koikoi1@hawaii.rr.com>
Sent: Tuesday, February 7, 2017 4:54 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Fred Dente Kapa`a, HI

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

FIN-Jo

From: Mike and Diana Shaw <shawdm2@gmail.com>
Sent: Tuesday, February 7, 2017 4:54 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Diana Shaw
Lanai City

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sent from my iPhone - excuse my typos!

From: Nathan Yuen <808nateyuen@gmail.com>
Sent: Tuesday, February 7, 2017 4:49 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Nathan Yuen, Ewa Beach, Hawaii

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. Hawaii's tax system is highly regressive and unfair to those on lower economic rungs. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

From: Martha Martin <mauimartina@gmail.com>
Sent: Tuesday, February 7, 2017 4:44 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Martha Martin
Paia, Maui, HI

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. It will also help earners of entry level salaries avoid homelessness.

Forty years ago I worked as a cashier in Lahaina. I met low income earners who worked full time, yet could not afford to buy food and pay their rents.

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 this 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.

We shouldn't tax people into poverty. This hurts Hawaii's families, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sent from my iPad

From: Adriana Duerr <betsyduerr@gmail.com>
Sent: Tuesday, February 7, 2017 4:41 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Betsy Duerr
Hilo, Hawaii

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Betsy Duerr
99 Honolii Place
Hilo, Hawaii 96720
betsyduerr@gmail.com

From: Natalie Brown <info@nataliebrownphotography.com>
Sent: Tuesday, February 7, 2017 4:38 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Natalie Norberg
Paia, Maui

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Natalie

808-344-3843
www.nataliebrownphotography.com



From: Seena Clowser <zertle13@gmail.com>
Sent: Wednesday, February 8, 2017 11:12 AM
To: FINTestimony
Subject: HB 209

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Seena Clowser
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Aloha and 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.

My personal situation is such that I am very much on the economic edge. I pay in rent much more than I can afford, and have very little discretionary income. I am not really able to save for an emergency, let alone the long-term future. Increasing the renter's credit would help people like me and working families avoid desperate circumstances. Similarly, increasing the food credit would make a real difference. Though I am spared food taxes because I currently receive SNAP benefits and will not receive a food tax credit this year, I know that the tax on food is significant, especially for residents with lower incomes. Please remedy this by increasing the refundable food/excise tax credit.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

Mahalo from Manoa

From: Nate Hix <Nate.hix@gmail.com>
Sent: Wednesday, February 8, 2017 10:53 AM
To: FINTestimony
Subject: HB 209

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Nate Hix
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 12:33 PM
To: FINTestimony
Cc: Moss.jade.e@gmail.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jade Moss	Individual	Support	No

Comments: Aloha, creating tax fairness is a direct way to help our families in Hawaii. Keeping more money in our wallets will stimulate the economy as we'll have more disposable income. I'm currently included in the statistic of the 48 % living paycheck to paycheck, and I welcome any opportunity to lessen the financial burden of unfair tax laws that low income employees are faced with. This bill as it stands has my support. Mahalo for considering my testimony.

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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FIN-Jo

From: Kristy <khnagahisa@gmail.com>
Sent: Wednesday, February 8, 2017 10:07 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Kristy Nagahisa
Kapaa

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sent from my iPhone

FIN-Jo

From: Joanne <jojbroe@gmail.com>
Sent: Wednesday, February 8, 2017 12:05 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: [NAME]joanne Burkhardt
[TOWN]Hanapepe HI
96716

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sent from my iPhone

From: SDR <kalaokauai24@yahoo.com>
Sent: Wednesday, February 8, 2017 11:35 AM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

From: Sarah Rabot, Kapaa HI DATE: Thursday, February 9, 2017 TIME: 2:00 P.M. PLACE: Conference Room 308 Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members, I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. 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 this 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. We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Sarah Rabot

FIN-Jo

From: Nicole Lawrence <hnicl23@yahoo.com>
Sent: Wednesday, February 8, 2017 12:30 PM
To: FINTestimony
Subject: Tax Fairness

Aloha;

I support tax fairness in Hawaii. Please pass SB648 and HB209. Improve the food credit, create a working families credit, adjust the renters credit, and restore revenues. I have been a resident on the island of Kaua'i for 23 years and am blessed with a better revenue stream than many in the islands, and I support fairness in taxes. If we help the least of us, we help all of us. And if it works out that my tax dollars stay to help the County of Kaua'i, all for the better.

Mahalo,
Nicole Lawrence
Kaua'i, HI

Sent from my iPhone

FIN-Jo

From: Janice Glennie <palmtree7@earthlink.net>
Sent: Wednesday, February 8, 2017 12:54 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209

janice palma-glennie
kailua-kona

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Aloha Chair Luke, Vice Chair Cullen, and Finance Committee Members,

i'm asking you to support HB209. As you know, the people of this state often live paycheck to paycheck. This Bill will help make a fairer tax system for all of Hawaii's residents. Helping to create a more fair tax system is critical to supporting a thriving -- not teetering -- middle class as well as those below that middle.

There's plenty of big money in this state. We can do this 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.

Please pass HB209. Mahalo for your consideration of this important bill.

Janice Palma-Glennie
P.O. Box 4849
Kailua-Kona, Hawai`i 96745

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 1:56 PM
To: FINTestimony
Cc: tulsigreenlee@icloud.com
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tulsi Greenlee	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 1:50 PM
To: FINTestimony
Cc: info@beyondorganicresearch.com
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*

HB209

Submitted on: 2/8/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Dr. Jana Bogs	Individual	Support	No

Comments:

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

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Dear Chair Luke and Vice Chair Cullen,

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.

Fairness is a value most of us are taught from a very young age. I remember growing up in a single parent home. My mother working 3 jobs to make ends meet and keep my sister and I fed. We lived this way until I was able to get a job and help out my mother with the bills. I got my working papers at age 14 and worked up until my enlistment in the military and I moved out. I missed out on so much of my childhood to include, field trips, afterschool functions, boy scouts, sports teams, etc. All for mostly one reason; we didn't have the funds. Our rent took up most of the pool of money in our family along with groceries, car payments, fuel costs, and the list goes on.

This exact problem I had as a child is happening here on the islands at an alarming rate. This is compounded with the extremely high cost of living and rising costs on rent. More and more families are struggling to get by. These aren't families who picked up and moved to Hawaii for a life near the beach but local families that were born and raised here. Now they face some of the toughest financial circumstances in decades by no fault of their own. Homelessness is an extremely real possibility for more families per capita than any other state. Sometimes it is the difference between a few hundred dollars that can put a family on the street.

This is wrong on so many levels. We all know of the repressiveness of the GET tax. The wealthiest individuals on this island make most of their monies by not investing into our economy but through Investments, stock markets, other opportunities that favor the wealthy. Thus, they pay a very little % of their income/ wealth to the state via the GET, but those of us who live pay check to pay check are using a large % of our money buying everyday items. These members have the capability and obligation to pay their fair share to support those who are victims of circumstance.

I myself work my rear end off at the State Capitol, all the while a full time grad student, and full time community organizer. My rent payment has fluctuated from 1500-2200\$ per month depending on if I have a roommate or not. Now add in my food, my vehicle upkeep, fuel, veterinarian bills, etc... It is easy to see how much us lower income earners struggle. I filed my taxes a few days ago. My state tax return this year is barely 100\$ and my federal return is about 110\$. Due to my low salary and being a student that roughly 210\$ return will be extremely welcomed when I have over 340\$ coming up in vehicle registration fees this month. Yet, I still have backed bills to pay and many items on the list saving up for to increase my quality of life. My rainy day fund has been drained and refilled in numerous occasions for life's unforeseen circumstances. On multiple occasions I've had to go apply for SNAP benefits because I couldn't afford to put food on the table. What I am getting at is, these credits would have a huge impact on my life if implemented as FULLY REFUNDABLE. Non-refundable is not an option for us.

Please pass HB 209. We have the opportunity to give the lowest earners and poor citizens of Hawaii the support they need. Anything else would be a disservice and unmoral. Thank you for your consideration of this important bill.

From: Roger Epstien <repstein10@gmail.com>
Sent: Wednesday, February 8, 2017 3:55 PM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Roger Epstien
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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 Fed's 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.



LATE

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

TESTIMONY FOR HOUSE BILL 209, RELATING TO TAXATION

**House Committee on Finance
Hon. Sylvia Luke, Chair
Hon. Ty J.K. Cullen, Vice Chair**

**Thursday, February 9, 2017, 2:00 PM
State Capitol, Conference Room 308**

Honorable Chair Luke and committee members:

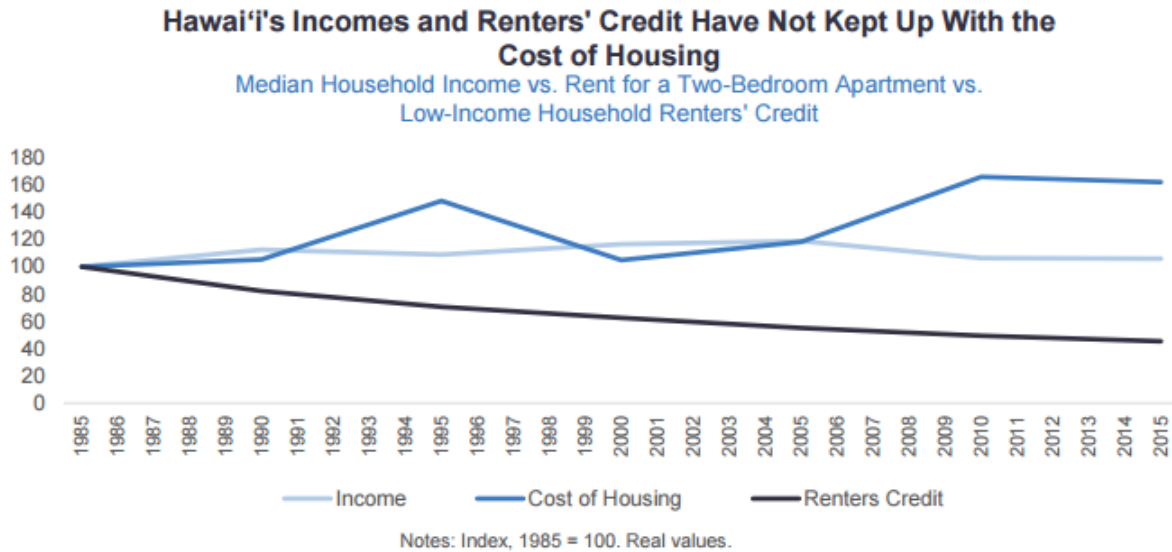
I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in strong support of House Bill 209, relating to taxation.

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 28 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.

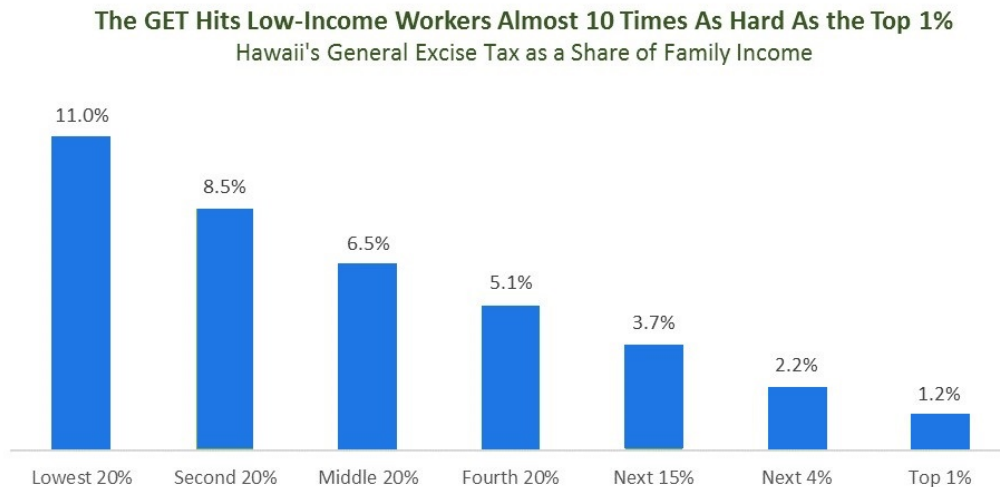
Similarly, the low-income renters' credit is in dire need of adjustment. In 1981, the LIHRC was set at \$50. Later, in 1989, the income eligibility cutoff was established at \$30,000, just above

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

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 7:36 AM
To: FINTestimony
Cc: jgelert@yahoo.com
Subject: Submitted testimony for HB209 on Feb 9, 2017 14:00PM



HB209

Submitted on: 2/9/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
John Gelert	Individual	Support	No

Comments: I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents. 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 this 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. We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

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LATE

House Finance Committee
Chair Sylvia Luke, Vice Chair Ty Cullen

02/09/2017 at 2:00 PM in Room 308
HB209 –Relating to Taxation

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

Dear Chair Luke, Vice Chair Cullen, and members of the House Finance Committee:

Common Cause Hawaii supports HB209 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.

LATE

February 8, 2017

To: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Committee on Finance

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

Re: HB 209 – Relating to Taxation
Hawaii State Capitol, Room 308, February 9, 2017, 2:00 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support HB 209 – 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: John Webster, PhD <jwebster@chaminade.edu>
Sent: Wednesday, February 8, 2017 11:42 PM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: John Webster, PhD
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

I am the Director of the Hogan Entrepreneurs at Chaminade University. I am writing this letter on a personal basis and my motivation for doing so is shaped by the impressive work I have seen conducted by my colleague, Professor Wayne Tanna and our students over many years dealing with the beneficiaries of the earned income tax credit.

As you know, much of Hawaii's tax structure is regressive. HB 209 simply provides one very modest remedy to help address the income and tax inequities so clearly obvious to us all.

This bill creates no new bureaucracy and provides genuine incentives to work. Rarely is a need and a remedy so obvious and so affordable.

I and countless others who seek an end to extreme inequities will happily pay the modest additional tax if this bill is enacted.

I strongly encourage your support of HB209

Mahalo for your consideration.

Sincerely,

John Webster

From: Tiare Lawrence <Tiare4maui@gmail.com>
Sent: Wednesday, February 8, 2017 8:42 PM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Tiare Lawrence
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: Michele Bats <Michelebats@msc.com>
Sent: Wednesday, February 8, 2017 7:59 PM
To: FINTestimony
Subject: HB 209

LATE

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Michele Bats
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: nix@lifeislight.com
Sent: Wednesday, February 8, 2017 9:19 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209



From: Dr. John and Debra Nix
Thursday, February 9, 2017 TIME: 2:00 P.M. PLACE: Conference Room 308 Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members, I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii. Thank you,
Debra and John
Kihei

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From: laurag <laurag@divefish.com>
Sent: Wednesday, February 8, 2017 9:09 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209



<!-- html ignored --><!-- head ignored --><!-- meta ignored --><body><p>From: Laura Gray
Punaluu

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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 this 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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.</p></body>

FIN-Jo

From: David Raatz <daveraatz@gmail.com>
Sent: Wednesday, February 8, 2017 11:19 PM
To: FINTestimony
Subject: Support HB209

LATE

Please pass HB209.
We need tax fairness.

David Raatz
Wailuku, Hawai'i

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 11:04 AM
To: FINTestimony
Cc: keani_nwr@msn.com
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*



HB209

Submitted on: 2/9/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Keani Rawlins-Fernandez	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: Connie Tu <tuconnie@hawaii.edu>
Sent: Thursday, February 9, 2017 11:12 AM
To: FINTestimony
Subject: HB 209

LATE

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Connie Tu
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

I am a UH Manoa Student and I am holding a job in order to support my tuition. It is difficult to be able to support myself because of the high taxes that are taken out of my paycheck. Therefore, I have to take on more shifts in order to cover ends meet. All while taking classes at UH Manoa as a full time student.

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.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: Alani Jamile <ajamile@hawaii.edu>
Sent: Thursday, February 9, 2017 11:19 AM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Alani Jamile
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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.

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.

As a working student, tax really does hurt. From juggling a job and trying to achieve good academic status, my schedule is completely full. I have even thought about getting another job so I can have all my needs met: to graduate on time, have food on the table, and to have enough on the side in case of emergencies. I need to graduate on time because I do not have the luxury to pay for a fifth year of college. The amount that I get taxed every paycheck can contribute to all the needs that I have listed above to be met.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: Zedrick-Kyle Oda <Zkoda@hawaii.edu>
Sent: Thursday, February 9, 2017 11:18 AM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Zedrick-Kyle Oda
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

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'm a student at the university of Hawaii at manoa and I'm from the big island of Hawaii. I really hope that this bill will pass because my family and I are working very hard to make sure we can pay my tuition as well as our utility and house bills. If this bill is passed it will prevent the chance of us going into a lot of debt and help us maintain the money we need to address our other bills we have. Furthermore, this bill will help many other Hawaii residents as well.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

From: Samantha Calumpit <smc22@hawaii.edu>
Sent: Thursday, February 9, 2017 11:18 AM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Samantha Calumpit
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

I'm a student at the University of Hawaii at Manoa and I support this bill because coming from a family of four, meeting ends meet is difficult. With one of the highest cost of living in the state, I realize that people are neck deep into Hawaii's high inflation rates.

I know friends, classmates, AND relatives who struggle to even pay for lunch because their income is only enough to pay for bills. These people who are close to me don't know if they'll have enough money to EAT.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

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.

From: Joei Gomez <joei@hawaii.edu>
Sent: Thursday, February 9, 2017 11:21 AM
To: FINTestimony
Subject: HB 209

LATE

TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Joei Gomez
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

I am a UH student, I understand the struggles of my fellow students when it comes to making ends meet. It is especially hard for my fellow students with little work experienced who can only get part time minimum wage jobs. With what little income they can manage, it does not seem fair for them to be taxed and lose a significant amount of their income. This drives them to take out more loans for school, which increases their debt after graduation. This puts them in a dangerous situation after college where not only do they need to pay back their debt, but their entry level income would still be affected by these taxes and may put them into risk of poverty, or put them more into debt. We need to create a better environment that promotes success and encourages people to become better, rather than forcing them to give up something like education in order to barely make enough money to get by.

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.

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.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB 209. Thank you for your consideration of this important bill.

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 11:32 AM
To: FINTestimony
Cc: joyamarshall0416@gmail.com
Subject: *Submitted testimony for HB209 on Feb 9, 2017 14:00PM*



HB209

Submitted on: 2/9/2017

Testimony for FIN on Feb 9, 2017 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Marshall	Individual	Support	No

Comments:

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From: Daniel Laraway <laraway@rocketmail.com>
Sent: Thursday, February 9, 2017 11:54 AM
To: FINTestimony
Subject: HB 209



TO: House Committee on Finance
HEARING: Thursday, February 9, 2017 at 2:00 pm
PLACE: Conference Room 308
FROM: Daniel Laraway
RE: Testimony Supporting HB 209
ATTENDING HEARING: No

Dear Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Aloha,

Our family supports HB 209 because taxes have become too regressive in Hawaii and squeezes families. My wife works hard and very very rarely gets vacations. She works hard for her 36k and I also worked hard for my 35k (71k total in 2016) I advocate for not just ourselves but for tax relief for those less well off than us. I know a retiree with a 400k per year pension who of course pays NO HI INCOME TAX! He told me he thinks his pension should be taxed. I know another who makes multi millions for his ngo which is his, and pays next to nothing.

Easing taxes just a little on low and middle income families will stimulate Hawaii's economy and is the right thing to do.

Daniel Laraway



HOUSE COMMITTEE ON FINANCE

Thursday, February 9, 2017 2:00 PM Room 308
In **SUPPORT** HB 209 Relating to Taxation

LATE

Aloha Chairwoman Luke and members of the Finance Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i supports passage of HB 209, which seeks to establish a fairer tax system in the state of Hawai'i.

Since 1968, the Sierra Club of Hawai'i has worked to help people explore, enjoy, and protect the unique natural environment of the Hawaiian Islands. We believe that the health of our environment will directly benefit from a fair tax system.

For a community so steeped in a culture of aloha and caring for others, it is shocking and disappointing to know that Hawai'i has one of the most regressive tax systems in the U.S. Hawai'i's lowest earning families pay 13% of their income to taxes, while the highest earners pay 8% or less. Our tax system reinforces our severe income inequality; forcing more and more families to live paycheck-to-paycheck and make shorter term decisions that usually impose a greater burden on the natural environment.

The Sierra Club supports tax fairness because we know that with a more balanced tax system Hawai'i's residents will enjoy greater financial security. With that financial security comes investment in more environmentally sustainable lifestyles that are otherwise out of reach for low and middle income families. It is our hope that a fairer tax system will help to prevent future homelessness, offset other regressive forms of tax collection that we depend on, and improve the quality of life for everyone in Hawai'i.

We know that with greater financial security, our community as a whole will prosper more. That is why we are proud to stand with our neighbors and fellow justice advocates in support of tax fairness in Hawai'i.

Thank you for this opportunity to express our support on this important measure.

Mahalo,

Marti Townsend
Director

From: Don Erway <derway@earthlink.net>
Sent: Thursday, February 9, 2017 1:15 PM
To: FINTestimony
Subject: Strong Support for Tax Fairness HB209



From: Donald Erway
Kailua Kona

DATE: Thursday, February 9, 2017
TIME: 2:00 P.M.
PLACE: Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Finance Committee Members,

I am testifying in support of HB209. This Bill will help make a fairer tax system for all of Hawaii's residents.

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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We can do this without losing revenue to support important state programs simply by re instating the tax rates that were in place for our highest-income earners in 2015.

We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass HB209. Thank you for your consideration of this important bill.

Thanks,
Don

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