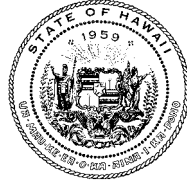


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SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
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MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

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

Date: Tuesday, February 7, 2017
Time: 9:30 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 648, Relating to Taxation

The Department of Taxation (Department) appreciates the intent of S.B. 648, and provides the following comments for your consideration.

S.B. 648 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 the 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.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

COMMISSIONERS:

SHERRY CAMPAGNA
CYD HOFFELD
JUDY KERN
MARILYN LEE
AMY MONK
LISA ELLEN SMITH

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February 7, 2017

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

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

Re: Testimony in Support, SB 648, Relating to Taxation

Thank you for this opportunity to testify in strong support of SB 648, 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), a 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 shelter 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.

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 SB 648.

Thank you for this opportunity to testify.

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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 SB 648.

Thank you for this opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: SB 648

INTRODUCED BY: SHIMABUKURO, ESPERO, K. RHOADS

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%
Federal Deduction Offset	—	-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.



February 6, 2017

TIM VANDEVEER
Chair,
MARIE STRAZAR
Vice Chair

MARGARET WILLE
SEAN SMITH
Legislative Committee Co-Chairs

SB648

RELATING TO TAXATION

Tuesday, February 7, 2017 9:30 pm State Capitol, Conference Room 211

Jill Tokuda, Chair
Donovan Dela Cru, Vice Chair
Ways and Means Committee

Submitted on Behalf of the Democratic Party of Hawai'i

The Democratic Party of Hawai'i supports SB648 "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



RESUBMITTING TESTIMONY – CORRECTED TESTIMONY

February 7, 2017

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

From: Jeanne Y. Ohta, Co-Chair

RE: HB 648 Relating to Taxation
Hearing: Tuesday, February 7, 2017, 9:30 a.m., Room 211

POSITION: Support

The Hawai'i State Democratic Women's Caucus writes in support of HB 648 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 towards tax fairness and help 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 budged 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.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 648 Relating to Taxation
Senate Committee on Ways and Means
Scheduled for Hearing Tuesday, February 7, 2017, 9:30 AM, Conference Room 211

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

Thank you for the opportunity to testify in **STRONG SUPPORT** of **SB 648**, 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.

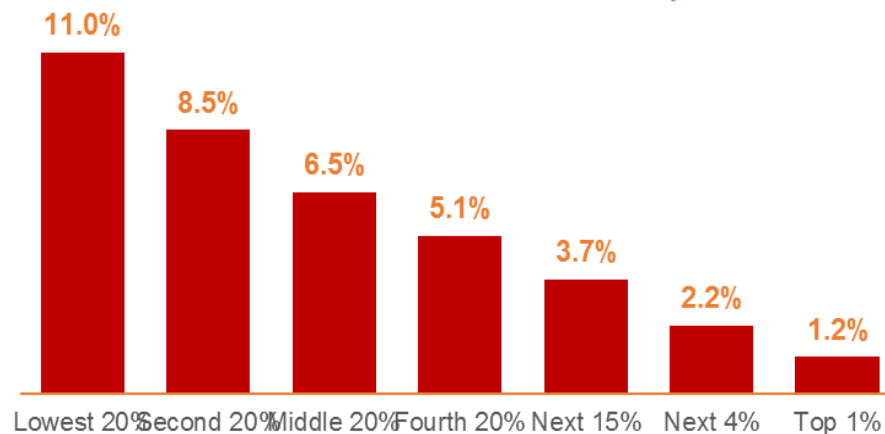
Hawai'i Ranks High for Tax Unfairness

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%

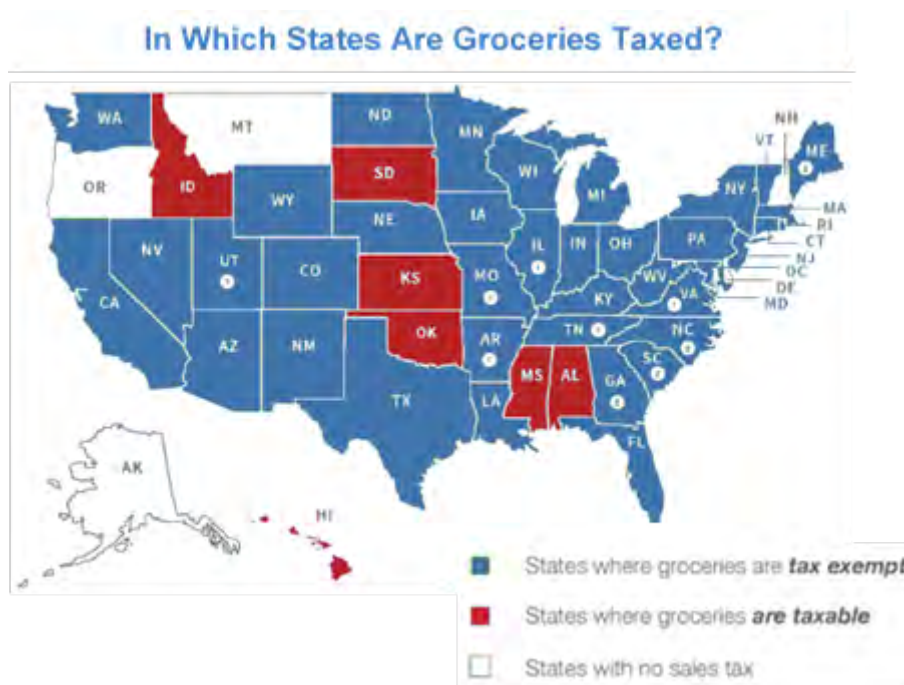
Hawaii's General Excise Tax as a Share of Family Income



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.

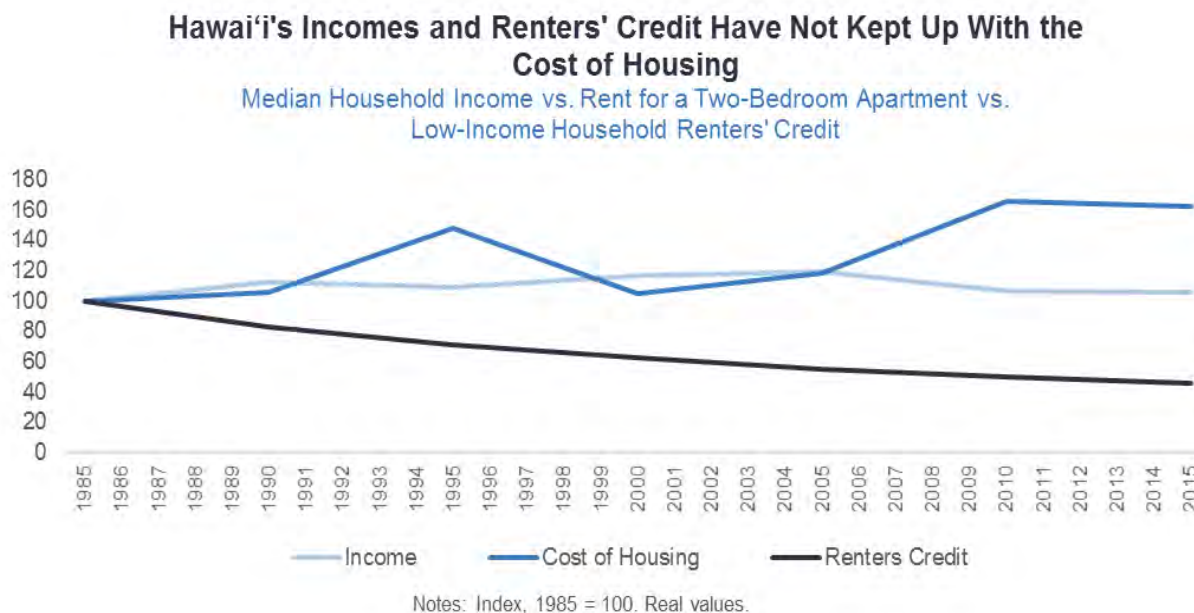
The credit is scaled to give greater relief to workers with children, so it is particularly effective at alleviating child poverty. For example, A single parent of one child, working full-time and earning the minimum wage, earns \$18,500 annually, and would owe Hawai'i about \$172 in state income tax. 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.



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

COMMITTEE ON WAYS AND MEANS

TUESDAY, FEBRUARY 7, 9:30 A.M., Room Number 211
SB648 RELATING TO TAXATION

TESTIMONY

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

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

The League of Women Voters of Hawaii supports SB 648 which is designed to make Hawaii's tax system more equitable across income levels.

It is embarrassing to admit that our tax system penalizes people at the low end of the income continuum in several ways. Other states do better - only one other state taxes low-income households as heavily as we do. Besides the issue of fairness and equity, there are other reasons to support SB648.

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

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

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



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

In good conscience, we must do better by the least fortunate members of our society.
Please pass SB648. Thank you for the opportunity to submit testimony.

COMMUNITY ALLIANCE ON PRISONS

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

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



COMMITTEE ON WAYS AND MEANS

Sen. Jill Tokuda, Chair

Sen. Donovan DelaCruz, Vice Chair

Tuesday, February 7, 2017

9:30 am

Room 211

STRONG SUPPORT SB 648 - TAX FAIRNESS OMNIBUS BILL

Aloha Chair Tokuda, Vice Chair DelaCruz 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 the most struggling members of our communities.

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>

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:58 PM
To: WAM Testimony
Cc: fosters005@hawaii.rr.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster	The Kupuna Caucus of the Democratic Party of Hawaii	Support	No

Comments: The Kupuna Caucus of the Democratic Party of Hawai`i Contact Scott Foster, Chair 808-590-5880

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

From: [Scott Foster](#)
To: [WAM Testimony](#)
Subject: Please Support SB648
Date: Sunday, February 5, 2017 12:14:47 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Scott Foster
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Mahalo for your kokua - Scott Foster, Chair

The Kupuna Caucus of the Democratic Party of Hawai'i
Contact Scott Foster, Chair
808-590-5880
<<http://kupunacaucus.org/>>

From: [Scott Foster](#)
To: [WAM Testimony](#)
Subject: Support SB648
Date: Sunday, February 5, 2017 10:54:35 AM

Scott Foster, Chair, the Kupuna Caucus of the Democratic Party of Hawaii.

The Kupuna Caucus of the Democratic Party of Hawai'i
Contact Scott Foster, Chair
808-590-5880
<<http://kupunacaucus.org/>>

Helping Hawai'i Live Well

February 4, 2017

TO: Senator Jill Tokuda, Chair, Senator Donovan Dela Cruz, Vice Chair, and the members of the Senate Committee on Ways and Means

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

RE: Testimony in support of SB 648

HEARING: Tuesday, February 7, 2017, 9:30 AM CR 211

Thank you for the opportunity to testify in strong support of **SB 648**, 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 SB 648.** It is time to pass this bill. 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>.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 11:32 PM
To: WAM Testimony
Cc: Burdick808@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments: Progressive Democrats of Hawaii has been actively supporting progressive policies and ideas since 2004. We STRONGLY SUPPORT HB 648. This bill covers several bases of tax inequity that really need to be redressed. Areas that become worse and worse with every passing year. This bill would: (1) increase the low income-household renters' income tax credit based on adjusted gross income and filing status; (2) establish - for the first time - a state earned income tax credit, something that has been a real success on the federal level; (3) restore the income tax rates for high income brackets that were unwisely repealed as of the end of 2015; and (4) remove the sunset for the refundable food/excise tax credit. These are ALL DROPS IN THE BUCKET. Our tax system is highly inequitable, especially so long as we rely so heavily on the GET. We need to make major improvements. This is a modest improvement. Thank you very much for considering our views.

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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AmeriCorps VISTA

Date: February 5, 2017

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

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

Re: Strong Support for SB648

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

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports SB648, 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.



HB2166 HD1 SD1 - Testimony in Support
March 28, 2016 - 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 SB648 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.

SB648 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.

SB648 would thus provide ongoing assistance to these families in their efforts to truly build their assets.

Mahalo for this opportunity to testify,

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

To: Hawaii State Senate Committee on Ways and Means
Hearing Date/Time: Tuesday, February 7, 2017, 9:30AM
Place: Hawaii State Capitol, Rm. 211

Position Statement Supporting Senate Bill 648

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

Thank you for the opportunity to testify in **STRONG SUPPORT** of Senate Bill 648, 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.

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 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.¹

¹ 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/>

eliminating racism
empowering women

ywca

O'ahu

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1566 Wilder Avenue
Honolulu, Hawai'i 96822
808.941.2231

Kokokahi YWCA
45-035 Kāne'ohe Bay Drive
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808.247.2124

Laniākea YWCA
1040 Richards Street
Honolulu, Hawai'i 96813
808.538.7061

ywcaoahu.org

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. Senate Bill 648 reduces tax liability and puts money back into people's pockets. **The YWCA O'ahu respectfully requests that the Senate Ways and Means Committee make a favorable report on Senate Bill 648.**

YWCA IS ON A MISSION



Committee on Ways & Means

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Hawai'i Alliance for Progressive Action strongly supports: SB648

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

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

I'm writing to testify in strong support of SB 648, 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.

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.

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. 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.

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 \$1000 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.

Best Regards,

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



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MAILING ADDRESS

P.O. Box 23404
Honolulu, Hawai'i 96823

www.adaaction.org

February 6 , 2017

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

RE: SB 648 Relating to Taxation
Support for hearing on Feb. 7

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 SB 648 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



February 6, 2017

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

From: Karen Worthington, Project Coordinator
Early Childhood Action Strategy

Re: SB648 – Relating to Education
Hawaii State Capitol, Room 211, February 7, 2017, 9:30 AM

Position: Action Strategy supports SB648 Relating to Taxation

Dear Senator Tokuda, Senator Dela Cruz and Committee Members:

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

Action Strategy supports SB648 which helps thousands of Hawaii families living near or below the poverty line by expanding the low-income household renters' income tax credit, establishes a state earned income tax credit, and restores the pre-2016 income tax rates for high income earners.

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

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

Action Strategy Testimony on SB648

February 6, 2017

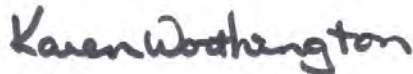
Page 2

The revisions to Hawaii's tax structure that are contained in SB648 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 SB648.

Action Strategy is committed to ensuring Hawaii's young children are healthy, safe and ready to learn and SB648 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



Hawaii Women's Coalition

COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

DATE: Tuesday, February 7, 2017

TIME: 9:30 AM

PLACE: Conference Room 211

STRONG SUPPORT FOR SB648

Aloha Chair Tokuda, Vice Chair Dela Cruz and members,

The Coalition is in strong support of this bill that 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.

The Coalition has fought for some version of this bill for over a decade. Our state taxes the poor at the highest rate of any State in the union. With women still making less the 80 cents on the dollar compared to men, our regressive tax policies affect women disproportionately.

The GET in particular hits low and moderate income families, including single mothers, families where women are the bread-winners, lesbian couples and single women especially hard since it taxes even the most basic necessities like food and medicine. It goes without saying that the high cost of renting is a burden on working women and their families. It contributes to the large percentage of families with children that are homeless.

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 live in a nation and a time in history where incivility coupled with lack of compassion seems to have become normalized. Taxing people into poverty should shock the body politic. It hurts Hawaii's family, economy, and future and should never be the norm.

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



TESTIMONY before the Committee
on Ways and Means of the Hawaii State Legislature

RE: SB 648 -- RELATION TO TAXATION
HEARING on Feb. 7, 2017 at 9:30 am

Position: **SUPPORT**

Honorable Chair Tokuda, Vice Chair Dela Cruz, and Committee:

The Hawaii Teachers for Change Caucus is a group of public school teachers who believe that organized teachers create energized leaders. We are committed to providing a quality education for all children by demanding professional teacher pay, fair evaluations, social justice, a strong and open union, and educator empowerment.

This measure supports our middle and low-income students and their families. With over 50% of public school students living below the poverty line, we see students coming to school without basic supplies, not properly nourished, and with obvious disadvantages making it difficult for them to be ready to learn. Even some of our teachers, especially those with dependent children, are qualified for public assistance because of low pay. It is critical that government step in to help establish an equilibrium among our small state's citizens so that we prevent houselessness and give each child an equal opportunity for the future.

By passing this bill, lawmakers are demonstrating their commitment to relieve the burden on struggling families and make high earners pay their fair share. For many, the earned income tax credit is the only opportunity to cover necessary expenses that do not fit into their monthly budget, for example needed car repairs, a major purchase like a washing machine, or new clothes for their children while higher income families do not have to give such expenditures a second thought.

Do the right thing and help those in need. Pass SB 648 to show your support for the less fortunate in our state.

Thank you,

Mireille Ellsworth,
Chair,
Hawaii Teachers for Change Caucus

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.

From: [Maya Dolena](#)
To: [WAM Testimony](#)
Subject: I SUPPORT SB648 - TAX FAIRNESS
Date: Sunday, February 5, 2017 12:10:58 PM

The State of Hawaii and especially the County of Hawaii has lots of poverty.
Let's be fair to our low income residents who are struggling just to live here.

Mahalo,
Sylvia Dolena
Pele Lani Farm LLC

--

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 12:14 PM
To: WAM Testimony
Cc: sylviadolena@yahoo.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Sylvia Dolena	Pele Lani Farm LLC	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: irisanne1@aol.com
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 10:40:04 AM

From: iris McGowan of Hanapepe

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 8:17 AM
To: WAM Testimony
Cc: barbarapolk@hawaiiintel.net
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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 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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200 North Vineyard Boulevard, A300
Honolulu, HI 96817
Ph: 808-587-7886
Toll Free: 1-866-400-1116
www.hawaiiancommunity.net

February 6, 2017

SB648 Relating to Taxation
Senate Ways and Means Committee
Room 211, State Capitol

RE: SUPPORT

Aloha e Chair and Committee Members,

I am writing on behalf of Hawaiian Community Assets, the State of Hawaii's largest nonprofit 501c3 HUD-certified housing counseling agency, to testify in **support** of Senate Bill 648 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 SB 648, 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 SB 648 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 SB 648 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 style with a large, stylized "J" and "G".

Jeff Gilbreath
Executive Director



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

February 07, 2017

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

FROM: Natalie Okeson, Interim Executive Director, PHOCUSED

SUBJECT: Testimony in Support of SB 648, RELATING TO TAXATION

Hearing: February 07, 2017 at 9:30am
Conference Room 211

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. We recognize that these vulnerable populations 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 SB 648, 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.



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

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

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

Twenty-six states and Washington, D.C. have created state-level working family tax credits, modeled after the federal Earned Income Tax Credit. Hawaii should join this trend of states eager to help working families keep more of what they earn. The Working Family Tax Credit would essentially erase the state income tax burden for 11,000 families.

Updating and implementing these three tax credits for Hawaii's low and moderate-income working households will help bring balance back to our state's tax burden.

Thank you for the opportunity to submit testimony in support of SB 648.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 3:54 PM
To: WAM Testimony
Cc: deborah@imaginariums.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Davis	Individual	Support	No

Comments: Please support this measure which eliminates a tax cut that was given mostly to the top 1% of wealthiest people in Hawaii two years ago and transfers those benefits to working families via several different tax credits aimed at supporting renters and low income WORKING FAMILIES. Mahalo nui loa!

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

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 6:43 PM
To: WAM Testimony
Cc: shannonkona@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments: Support

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 9:45 PM
To: WAM Testimony
Cc: foodsovereignty@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/3/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mitsuko Hayakawa	Individual	Support	No

Comments: Aloha Chair Tokuda and Members of the Ways and Means Committee, I am in support of SB648 to expand the low income-household renters' income tax credit. I believe it would help alleviate the struggles of low-income families and perhaps prevent more homelessness. Mahalo in advance for your support. Mitsuko Hayakawa Pearl City Resident

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 4:20 PM
To: WAM Testimony
Cc: makikirandy@yahoo.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments: Chair Tokuda, Vice-Chair Delacruz and members of the committee, Please vote yes on SB648 and vote for tax fairness. This bill would establish an earned income tax credit (EITC) which would help the poor. It would also re-establish a tax on upper income brackets. Pass SB648 and restore tax fairness in Hawaii. Mahalo nui.

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

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 5:02 PM
To: WAM Testimony
Cc: katc31999@gmail.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kat Culina	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 9:46 PM
To: WAM Testimony
Cc: 333cory@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments: Aloha legislators, Please support this bill. It is a piece of the puzzle for reducing homelessness, which is far costlier to fix than to prevent. mahalo, Cory Harden, Hilo

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Date: February 7, 2017
Time: 9:30 am
Place: Conference Room 211

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

Re: Support for SB648, Relating to Taxation

I am writing in **strong support** of SB648. I am a resident of Palolo and work as a graduate assistant at the University of Hawaii at Manoa, in the Department of Natural Resources and Environmental Science. I am writing this in my personal capacity.

As workers, we are getting crushed. Wages have stagnated for decades while living costs have skyrocketed. I live paycheck-to-paycheck. I have to delay the payment of my rent to the very last day every single payment. One single automobile accident, or a medical incident, would put me in severe debt. Our generation is forecasted to have less economic opportunity than our parents' generation.

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

Thank you for the opportunity to testify,
Timothy Zhu

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 9:38 PM
To: WAM Testimony
Cc: gfarstrup@msn.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Greg and Pat Farstrup	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 5:01 PM
To: WAM Testimony
Cc: katc31999@gmail.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/4/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kat Culina	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 10:36 AM
To: WAM Testimony
Cc: fernrosenstiel@yahoo.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Rosenstiel	Individual	Support	No

Comments: Please support these measures and local families ability to make ends meet here.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 11:39 AM
To: WAM Testimony
Cc: richard@bidleman.net
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Bidleman	Individual	Support	No

Comments: We need a more equitable tax rate and this bill pushes in that direction. I live in the Puna District that has the lowest per capita income in all of Hawaii. As an aside, I am in a defined benefit retirement program and pay no state income taxes. I think I as well as other should pay something. In lieu of paying taxes, I make contributions of both time and money to a variety of non-profit organizations.

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Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair

SB 648

RELATING TO TAXATION.

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.

Day and Date: Tuesday, February 7, 2017

Time: 9:30 AM

Place: Conference Room 211

State Capitol

415 South Beretania Street

Aloha,

My name is Danielle Phillips and I am a resident of Maui County. I am writing in support of SB 648 in relation to taxation which seeks to “Expand the low income-household renters’ income tax credit based on adjusted gross income and filing status.” As a full-time graduate student, part-time employee, and mother I believe this measure would be beneficial for lower income and the middle class residents of Hawaii. It would provide much needed relief for Hawaii’s lower income and middle class residents as it seeks to improve the Food Credit, create a working families credit, and most importantly it could assist in adjusting the renter’s credit. The General Excise Tax often affects low and middle income the hardest almost equally as those in the 1% tax bracket. Hawaii’s regressive tax system not only hurts our community, but also ensures that the most vulnerable families in Hawaii are paying more in taxes than they can afford.

As a third-year graduate student, part-time employee, and ten-year renter on Maui I struggle monthly to afford the cost of preschool, insurance, food, gas, and my housing costs which account for over 40% of my net income. My husband and I both have what are considered to be good jobs, yet we feel the heavy tax burden as middle-class residents, because Hawaii has the lowest wages in the nation after adjusting for the highest cost of living in the nation. Creating tax fairness could help put money back into the community’s residents especially the most vulnerable members who are often the most affected.

I respectfully urge the legislature to take the welfare of Hawaii’s low income and middle class working families into consideration when voting on whether or not to bring Hawaii closer to tax fairness by assisting struggling families in affording their daily lives by reducing their tax burden.

Respectfully,
Danielle Phillips
(808) 757-8811

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 9:45 AM
To: WAM Testimony
Cc: kamij9@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
kami carter	Individual	Support	No

Comments: Please support the people that actually need the help.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 12:09 PM
To: WAM Testimony
Cc: sanseironin@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Harry Yoshida	Individual	Support	No

Comments: Dear Committee Members: I ask that you support passage of this bill seeking to make our tax system more fair to working people. The changes outlined in this bill are long overdue. Please vote for the passage of this bill. Thank you.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 3:46 PM
To: WAM Testimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments: Aloha, my name is Camila Chaudron and I am a constituent from the Manoa/Makiki area. I support this bill because SB 648 will help many economically struggling families in Hawai'i. Hawai'i has the lowest wages in the nation after adjusting for our cost of living, which is the highest in the nation. SB 648 can help 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. Mahalo for supporting this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 3:59 PM
To: WAM Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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: Sunday, February 5, 2017 4:44 PM
To: WAM Testimony
Cc: lady.flach@gmail.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Heede	Individual	Support	No

Comments:

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

Dear Senator Tokuda and members of the Committee:

Subject: SB 648 (relating to taxation – tax credits for low-income individuals and families)

I strongly encourage your support of SB 648.

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.

From: [Susan Vickery](#)
To: [WAM Testimony](#)
Subject: SB648
Date: Saturday, February 4, 2017 9:22:19 AM

Please support of SB648 and VOTE YES FOR TAX FAIRNESS.

Mahalo,
Susan Vickery
Makawao, HI 96768
(808) 495-6410

From: [Cheryl Bellisario](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Saturday, February 4, 2017 1:45:10 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Cheryl Bellisario
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Elif Cuceloglu Beall](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 10:09:47 AM

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Elif Beall
Kilauea, HI

From: [Michael Morgan](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 10:26:24 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Michael Morgan
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: revdianageorge@earthlink.net
To: [WAM Testimony](#)
Subject: Communicating my Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 10:29:52 AM

From: Rev. Diana George
Wailuku, HI

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Michal Stover](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 10:39:05 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Michal Stover
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Syl Cabral](#)
To: [WAM Testimony](#)
Subject: *****SPAM***** Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 11:10:15 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Syl Cabral
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Nadya Penoff](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 11:16:18 AM

From: Nadya Penoff
Kapaa, HI 96746

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Nadya Penoff
Glass Artist & Oil Painter
5430 Kuapapa St.
Kapa'a, HI 96746
808 346-8196
nadyapenoff@icloud.com

From: [Damian Paul](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 11:35:13 AM

From: [NAME]Damian Paul
[TOWN]Kailua

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [BH](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 11:38:31 AM

From: William Howes
Haleiwa, O'ahu

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Sincerely,

William Howes

From: [Norris Thomlinson](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 11:59:27 AM
Attachments: [signature.asc](#)

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

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

Mahalo,
Norris Thomlinson
Kapoho, Hawai'i

From: [Keneke Lesperance](#)
To: [WAM Testimony](#)
Subject: Support Tax Fairness, Reject SB648
Date: Sunday, February 5, 2017 12:08:17 PM

From: Kenneth Lesperance
Waimanalo, Hawaii

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members, I am testifying in opposition of SB648. This bill unnecessarily reduces already lower than projected revenue. It also proposes multiple revenue reductions in one bill, forcing support for all provisions or none.

Sales and other ad valorem taxes are fairest. While regressive, in Hawaii, they are balanced by progressive income tax and regressive property, vehicle and other cost basis taxes. If fairness is the goal, we should join the 43 other states which exempt food from sales tax, instead of inequitable, de facto, transfer payments.

Our economy will suffer with increased transfer payments and our working poor will suffer first.

Please reject SB 648 and visit fair tax laws which actually help our working poor. Thank you for your consideration of this important bill.

From: [Majikalmytical](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 12:11:51 PM

From: Margaret Mancilla
Hanalei

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 3:50 PM
To: WAM Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/3/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments:

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

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

From: [Diana M Shaw](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 12:18:51 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Diana M Shaw
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Zoe](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 12:25:12 PM

From: [Zoe Alexander, Haiku, Maui](#)

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Jeanne Dooley](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 12:39:19 PM

From: Jeanne Dooley
Kapaa, HI 96746

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Don Erway](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 1:34:05 PM

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Donald Erway
77-6455 Princess Keelikolani Dr.
Kailua Kona, HI 96740-2419

This email has been checked for viruses by Avast antivirus software.
<https://www.avast.com/antivirus>

From: [Steve Ward](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 1:40:41 PM
Importance: High

Steve Ward

75-259 Malulani Drive

Kailua-Kona, HI 96740

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. This Bill will help make a fairer tax system for all of Hawaii's residents.

Many Big Island 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 SB 648. Thank you for your consideration of this important bill.

Mahalo for this chance to testify. I hope you will do the right thing.

With aloha,

Steve Ward

From: [Kauai Pratt-Aquino](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 1:42:13 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Kauai Pratt-Aquino
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

I am a small business owner and I support this bill. It will be good for Hawaii especially working families. As a business, i will adjust my pricing in order to meet this wage. Therefore, I fully support this bill.

From: [Anne Thurston](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 1:56:36 PM

Anne Thurston
Princeville 96722

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. This Bill will help make a fairer tax system for all of Hawaii's residents. Taxing our low income residents is deeply unfair.

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. Let us change this unfair situation.

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. In the end, it hurts all of us. Please pass SB 648.

Thank you for your consideration of this important bill.

Kind regards,

Anne Thurston

From: islandguys2@hawaiiantel.net
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 2:06:42 PM

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. This Bill will help create a fairer tax system for all residents of Hawai'i, especially those who live here year-round and do not have two houses or more in different states.

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. As a teacher I live pay check to pay check. This is simply not right for someone who is well educated and gives back to the community. I need to have two jobs if I want money to do something extra like a take a trip to O'ahu. That is crazy!

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 Hawai'i and it's families, economy, and future. Please pass SB 648. Thank you for your consideration of this important bill.

A hui hou,
Ann Keeler (Herkes)

From: [John Harter](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 2:36:43 PM

From: John Harter
Anahola

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Sent from my iPad

From: [Janice Glennie](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 2:37:20 PM

Janice palma-glennie
kailua-kona

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

I am testifying in support of SB648. 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 SB 648. Mahalo for your consideration of this important bill.

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

From: [Neil Frazer](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 3:17:46 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Neil Frazer
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

I fully support this bill, even though it will result in my having to pay higher taxes. We are all in this together, and I am proud to live in a state that cares for its poor and elderly.

Mahalo for your unselfish service to the people of Hawaii.

From: [Marilyn Mick](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 3:25:00 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Marilyn Mick
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Javier Mendez](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 3:57:36 PM

From: Javier Mendez
1326B Alewa Dr., Hon., HI 96718-1200

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Carl Martin](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 3:59:39 PM

Carl Martin
Haiku

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Carl Martin

From: jade@themossgrupppublishing.com
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 4:03:31 PM

From: Jade Moss
Kalaheo
Mother of 2&4 year olds with household income of just over 35k

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members, I am testifying in **support** of SB648. 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 SB 648. Thank you for your consideration of this important bill.
Mahalo Nui Loa

From: [Tom Tizard](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 4:52:30 PM

From: Thomas Tizard
Kailua

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. This Bill will help make a fairer tax system for all of Hawaii's residents.

Many of Hawai'i's residents are struggling to make ends meet, facing 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 SB 648.

Thank you for your consideration of this important bill.

From: [Elisabet Sahtouris](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 5:31:11 PM

From: Elisabet Sahtouris
Honolulu

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Elisabet

Elisabet Sahtouris, PhD
Professor in Residence
CHAMINADE UNIVERSITY
School of Business & Communication
Honolulu, Hawaii

<!--[if !supportLineBreakNewLine]-->

<!--[endif]-->

mail to: Dr. Elisabet Sahtouris
750 Amana Street, Suite 1808
Honolulu, HI 96814 USA

From: [Merle Inouye](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 6:55:43 PM

From: [Merle Hayward]
[Hilo]

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 7:01 PM
To: WAM Testimony
Cc: ariannafeinberg@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Arianna Feinberg	Individual	Support	No

Comments: As a lifelong Maui resident, small business owner, and Democrat I strongly SUPPORT SB648. Our tax system in Hawaii is extremely unfair towards families in the lowest income brackets. The richest tax brackets should pay more as they did between 2009-2015. As a deep blue state, we should have a more equitable tax system. We should do everything in our power to decrease the amount of working families living paycheck to paycheck. These provisions would not directly affect my taxes, but one day I aspire to be in the highest tax bracket and at that point, I will still support the higher tax rates!

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 8:09 PM
To: WAM Testimony
Cc: bob-marion@hawaiiantel.net
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Marion McHenry	Individual	Support	No

Comments: I strongly support this tax fairness measure.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 9:06 PM
To: WAM Testimony
Cc: chris@mentzel.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Mentzel	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: blackbird4aloha@hotmail.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*
Date: Sunday, February 5, 2017 6:56:14 PM

SB648

Submitted on: 2/5/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments:

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From: kshimata@hawaiiintel.net
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 7:21:03 PM

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 least afford it, 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 SB 648. Thank you for your consideration of this important bill.

From: bob-marion@hawaiiantel.net
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 7:43:20 PM

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 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 SB 648. Thank you for your consideration of this important bill.

Sincerely,

Robert and Marion McHenry
3609 Kaweonui rd
Princeville, HI 96722

From: [Lauren Elaine](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 7:44:39 PM

From: Lauren Ampolos, Kahului

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 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 SB 648. Thank you for your consideration of this important bill.

Warmly,
Lauren Ampolos
Sent from my iPhone

From: nix@lifeislight.com
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 7:49:25 PM

From: Dr. John and Debra Nix of Kihei,

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. This Bill will help make a fairer tax system for all of Hawaii.

Mahalo,
Debra and John

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From: floramarie@hawaiiantel.net
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 8:23:18 PM

<!-- html ignored --><!-- head ignored --><!-- meta ignored --><body><p>From: [Flora Worth]
[Lihue]

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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.

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We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass SB 648. Thank you for your consideration of this important bill.</p></body>

From: [Hank Hawaiian](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 8:36:10 PM

Harry Fergerstrom....Kurtistown, Hawaii 96760

From: [NAME] [TOWN] Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members, I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Harry Fergerstrom

From: [Lesley Patton](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 8:52:20 PM

From: Lesley Patton
Kapaau HI 96755

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [roger epstein](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Sunday, February 5, 2017 9:45:14 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: roger epstein
RE: Testimony Supporting SB 648
ATTENDING HEARING: Yes

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

Thank you for this opportunity to submit testimony on SB 648, 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 1967-1972j private law practice in Hawaii 1972-2016). In view of the existing conditions in Hawaii and nationally, in my opinion, SB 648 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 SB 648. Thank you for your consideration of this important bill.

From: [Tony Radmilovich](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 10:28:03 PM

From: [NAME] [TOWN] Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members, I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [laurag](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Sunday, February 5, 2017 10:32:34 PM

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

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.</p></body>

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:58 AM
To: WAM Testimony
Cc: garylhooser@hotmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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

Comments: I strongly encourage the Committee on Ways and Means to vote YES for Tax Fairness. Hawaii's tax system is heavily weighted against low income working families and SB648 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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From: [Nicole Lawrence](#)
To: [WAM Testimony](#)
Subject: Support of Tax Fairness
Date: Monday, February 6, 2017 12:31:45 AM

Aloha;

I support tax fairness in Hawaii. Please pass SB648. 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

From: [Kendall Blakely](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 6:15:02 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Kendall Blakely
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 6:28 AM
To: WAM Testimony
Cc: hkimball@hawaii.edu
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

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: [Cynthia Hathaway](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 7:40:50 AM

Cynthia Hathaway
Keaau, HI

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass SB 648. Thank you for your consideration of this important bill.

From: [lyle robinson](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 7:54:13 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: lyle robinson
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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.

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From: [robyn labrador](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 8:20:57 AM

From: [NAME]
[TOWN]

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:31 AM
To: WAM Testimony
Cc: frankiestapleton@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Frances K. (Frankie) Stapleton	Individual	Support	No

Comments: Aloha e Sen. Tokuda and WAM committee members, my name is Frances (Frankie) Stapleton, a retired journalist and school teacher who has lived in East Hawaii for nearly 40 years. Thank you for this opportunity to urge you to pass SB648 that particularly grants relief to our families, neighbors, citizen from the stresses of living from paycheck to paycheck. So many of Hawai'i residents struggle 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 SB 648. Thank you for your consideration of this important bill. Mahalo nui and malama pono, Frankie Stapleton 14-803 Crystal Circle, Pahoia HI 808.965.8945

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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Bart Dame
710 West Hind Drive, Honolulu, HI

SENATE WAYS and MEANS COMMITTEE
Sen. Jill Tokuda, Chair
Sen. Donovan Dela Cruz, Vice Chair

Date: Tuesday, Feb 7, 2017
Time: 9:30 a.m.
Place: Conference room 211

SB648, RELATING TO TAXATION

In STRONG SUPPORT

Good afternoon, Chair Tokuda, and members of the committee,

My name is Bart Dame and I am testifying today as an individual in STRONG SUPPORT of SB648, 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

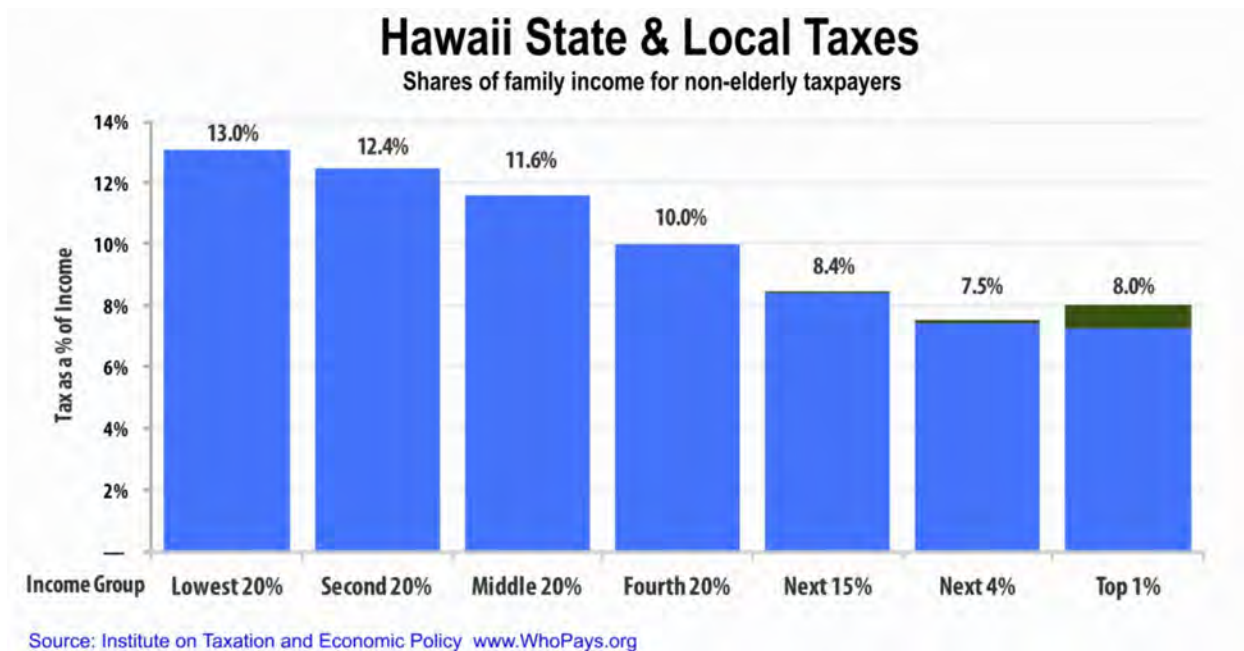
more progressive and help our middle and low-income residents.

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.



This chart shows, at a glance, how unfair Hawaii's current tax structure is. The poorest 20% of residents pay about 13% of their income in state and county taxes, middle income residents pay about 11.6%, but the wealthiest pay only 8%.

To make things worse, the green segment atop the right column shows a tax cut which will only go to the richest residents. It will take effect on December 31, 2015, unless the legislature votes to cancel it.

Your legislator gets to CHOOSE, this session, whether to spend \$48 Million to give the rich a tax cut or whether the tax code should be made more fair, with low and middle income residents getting tax relief through increased credits on food and rent and other proposals.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: shannonkona@gmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM
Date: Monday, February 6, 2017 9:51:06 AM

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments: Help! In case you haven't noticed, us poor folk are dying out here. We need some relief before we're all on the street.

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: [Margery Freeman](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 9:56:07 AM

Margery Freeman

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Margery Freeman](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 9:56:31 AM

From: Margery Freeman
Kapaa, Kauai

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Brooke Prim](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 10:05:12 AM

From: Brooke Prim, Tucson, AZ/Glenwood, HI

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members, I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Marjorie Lewis](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 10:18:06 AM

From: Marjorie Lewis
Kapaa

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Natalie Brown](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 10:41:00 AM

From:Natalie Norberg
Paia

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Natalie

808-344-3843

www.nataliebrownphotography.com



February 6, 2017

To: Senate Ways and Means Committee

From: Ivette Rodriguez Stern

Subject: **Testimony in Support of SB 648**

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 SB 648.

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.

SB 648 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 SB 648.

Sincerely,



Ivette Rodriguez Stern

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 11:00 AM
To: WAM Testimony
Cc: john.from.stl@alumni.stanford.edu
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
John Maurer	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

From: [Heather Lusk](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 11:02:08 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Heather Lusk
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Betsy Neaves](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 11:06:14 AM

From: Betsy Neaves
Anahola, HI

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

From: [Tiare Lawrence](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 11:59:13 AM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Tiare Lawrence
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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.

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We cannot continue to tax people into poverty. It hurts Hawaii's family, economy, and future. Please pass SB 648. Thank you for your consideration of this important bill.

From: [Mark McKeague](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 12:06:18 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Mark McKeague
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Andrew Grandinetti](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 12:13:15 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Andrew Grandinetti
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [kmbellavita](#)
To: [WAM Testimony](#)
Subject: Strong Support for Tax Fairness SB648
Date: Monday, February 6, 2017 12:37:36 PM

From: Karen Marie Bellavita, Hanalei

Dear Chair Tokuda, Vice Chair Dela Cruz, and Committee Members,

I am testifying in support of SB648. 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 SB 648. Thank you for your consideration of this important bill.

Sincerely
And mahalo for your service.

From: [Jamie Barton](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 1:02:46 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Jamie Barton
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Kris Bordessa](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 1:03:14 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Kris Bordessa
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Michael Cole](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 1:12:51 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Michael Cole
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Andrea Brower](#)
To: [WAM Testimony](#)
Subject: Strong Support for SB648
Date: Monday, February 6, 2017 1:58:15 PM

Andrea Brower, PhD Sociology
Anahola, Kauai

Dear Chair Tokuda and Committee Members,

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.

Mahalo for your time and attention to this most critical matter.

From: [John Webster](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 2:14:12 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: John Webster
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

John F Webster
1 Keahole Place, Apt 3501
Honolulu, Hawaii 96825
February 5, 2017

The Honorable Jill Tokuda, Chair
Members of the Committee on Ways and Means

Dear Senator Tokuda and Committee Members:

Subject: SB 648 (relating to taxation – tax credits for low-income individuals and families)

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. SB 648 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 SB 648.

Mahalo for your consideration.

Sincerely,

John Webster

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 3:43 PM
To: WAM Testimony
Cc: tulsigreenlee@icloud.com
Subject: *Submitted testimony for SB648 on Feb 7, 2017 09:30AM*

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tulsi Greenlee	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

From: [Tyler Greenhill](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Tax Fairness
Date: Monday, February 6, 2017 3:48:37 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Tyler Greenhill
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 SB 648. Thank you for your consideration of this important bill.

From: [Raphael Leonard](#)
To: [WAM Testimony](#)
Subject: Please Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 4:11:10 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Raphael Leonard
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, which will help make a fairer tax system for all of Hawaii's residents.

So many of my friends and family on Oahu, Maui, and Big Island are struggling to make ends meet, faced with our high cost of living and low-wages. Hawaii should not be adding to our financial challenges by making those with the least disposable income pay a greater share of that income towards taxes.

The GET hits especially hard since it taxes even the most basic necessities; food, essential toiletries, etc. 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 afford the ability to live in a legal structure, and to feed their families regularly. 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 SB 648. Thank you for your consideration of this important bill.

Mahalo for your consideration.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 4:41 PM
To: WAM Testimony
Cc: jmccay@hotmail.com
Subject: Submitted testimony for SB648 on Feb 7, 2017 09:30AM

SB648

Submitted on: 2/6/2017

Testimony for WAM on Feb 7, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
James McCay	Individual	Support	No

Comments: Aloha and thank you for supporting this Bill. We are seeing increasing crime in our neighborhood, and the increasing in affordability of Oahu is not going to help that. Action is needed. Mahalo, James McCay 2957 Kalakaua Ave, Honolulu, HI 96815

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: [Randy Gonce](#)
To: [WAM Testimony](#)
Subject: SB 648 is LONG Overdue.
Date: Monday, February 6, 2017 4:53:18 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Randy Gonce
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Thank you for this opportunity to submit testimony on SB 648, 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 missed out on so much of my childhood, field trips, sports teams, etc. because we didn't have the funds.

This exact problem I had as a child is happening here on the islands at an alarming rate. 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 the toughest financial circumstances by no fault of their own. Homelessness is an extremely real possibility for more families per capita than any other state.

This is wrong on so many levels when the wealthiest individuals on this island make most of their money by not investing into our economy. I.e. Investments, stock market, etc.

These members have the capability and obligation to pay their fair share to support those who are victims of circumstance.

Please pass SB 648. We have the opportunity to give the lowest earners and poor citizens of Hawaii the support they need. Thank you for your consideration of this important bill.

From: [Gabriel Johnson](#)
To: [WAM Testimony](#)
Subject: I firmly Support SB 648 and Hawaii Tax Fairness
Date: Monday, February 6, 2017 4:57:39 PM

TO: Senate Committee on Ways and Means
HEARING: Tuesday, February 7, 2017 at 9:30 am
PLACE: Conference Room 211
FROM: Gabriel Johnson
RE: Testimony Supporting SB 648
ATTENDING HEARING: No

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

Aloha from Lana'i.

Thank you for allowing me to speak on my support of SB 648 and Hawaii Tax Fairness. I'm a single father of a daughter who I work hard to provide a healthy family environment for. I have clawed my way up off of government assistance only to find that the cost of living makes me live check to check. There are many people out there that this will help. Good People. Hard working people. Your constituents. Your family members. The people who service you. I hope you listen to the people who have elected you and not the special interests.

If we can create a more tax fair economy in Hawaii then everyone wins. Thank you