

STAND. COM. REP. NO.

2992

Honolulu, Hawaii

MAR 21 2018

RE: H.B. No. 1718  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1718, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to assist families with young children by establishing a nonrefundable income tax credit for child care costs for children four years and younger.

Your Committee received testimony in support of this measure from Young Progressives Demanding Action - Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and one individual. Your Committee received comments on this measure from the Department of Human Services, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that the high cost of infant and child care in the State poses a significant challenge for families. Your Committee further finds that the cost of raising a child in the State is higher than the national average, with child care costs being one of the top expenses for a working family. This measure will assist families with young children by providing financial relief from the high cost of child care.

Your Committee has amended this measure by:



- (1) Inserting \$3,000 as the maximum amount for a taxpayer to receive as a nonrefundable tax credit per eligible child per taxable year;
- (2) Amending the definition of "qualifying costs" to include costs for care provided at infant and toddler child care centers registered or licensed by the Department of Human Services; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1718, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1718, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,



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JOSH GREEN, Chair



