

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 162
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 162 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide to a taxpayer who hires an elderly individual a nonrefundable tax credit for the six-month period after the individual is initially hired by the taxpayer.

Your Committee received testimony in support of this measure from a member of the Kaua'i County Council, Hawai'i State Association of Counties, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that elderly individuals often have a wealth of work and life experiences that allow them to make significant contributions to employers. Providing tax incentives to employers to hire elderly individuals will help increase employment of Hawaii's aging population and enable these individuals to continue supporting their families.

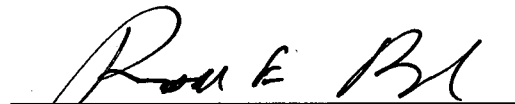
Your Committee has amended this measure by:



- (1) Adopting language suggested by the Department of Taxation that:
 - (A) Changes the tax credit from fifty percent of the qualified wages for the first six months after the elderly individual is initially hired to twenty-five percent of the qualified wages for the first twelve months after the elderly individual is initially hired;
 - (B) Clarifies that the definition of "wages" is based solely on cash wages;
 - (C) Clarifies that the definition of "qualified wages" excludes amounts for which another credit is claimed or a deduction is taken; and
 - (D) Clarifies that the credit is applicable to taxable years beginning after December 31, 2019, to allow the Department of Taxation sufficient time to make necessary form, instruction, and computer changes; and
- (2) Making technical, nonsubstantive amendments 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 S.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, 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,



RUSSELL E. RUDERMAN, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* <i>SB142</i>	Committee Referral: <i>HMS, WAM</i>	Date: <i>2/11/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RUDERMAN, Russell E. (C)	✓			
RHOADS, Karl (VC)	✓			
IHARA, Jr., Les	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt				✓
TOTAL	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes