

Honolulu, Hawaii

**FEB 28 2019**

RE: S.B. No. 579  
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 Ways and Means, to which was referred S.B. No. 579 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to provide tax relief to low-income households.

Specifically, this measure:

- (1) Amends the allowable income tax credit for low-income household renters to an unspecified amount;
- (2) Makes the earned income tax credit refundable for ten taxable years after December 31, 2019; and
- (3) Amends the allowable amount of the refundable food/excise tax credit to an unspecified amount.

Your Committee received testimony in support of this measure from the Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Americans for Democratic Action Hawaii, HACBED, League of Women Voters, IMUAlliance, Hawaii Appleseed Center for Law and Economic Justice, and two individuals.



Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

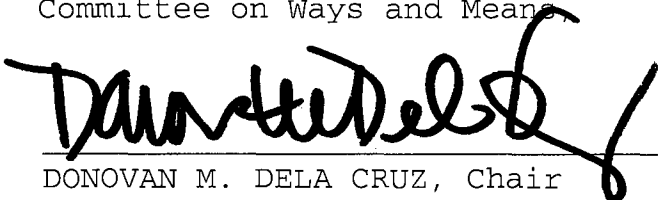
Your Committee finds that this measure would provide financial relief to the thirty-five thousand families in the State that a recent report found were "food insecure," meaning they have had trouble obtaining adequate food and, in some cases, have gone hungry.

Your Committee has amended this measure by:

- (1) Removing provisions that make the earned income tax credit refundable;
- (2) Extending the sunset date of the earned income tax credit to December 31, 2029;
- (3) Providing that the changes to the tax credits in the measure shall apply to taxable years beginning after December 31, 2019;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 1, and be placed on the calendar for Third Reading.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 579</b>	Committee Referral: <b>WAM</b>	Date: <b>2/11/19</b>		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.				X
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt				X
<b>TOTAL</b>	<b>9</b>			<b>4</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original            Yellow            Pink            Goldenrod File with Committee Report            Clerk's Office            Drafting Agency            Committee File Copy				

\*Only one measure per Record of Votes