

Honolulu, Hawaii  
FEB 16 , 2022

RE: H.B. No. 2131

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 2131 entitled:

"A BILL FOR AN ACT RELATING TO EARNED INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to extend the availability of the earned income tax credit until December 31, 2028.

Your Committee received testimony in support of this measure from the Department of Taxation, Department of Human Services, Department of Budget and Finance, Hawai'i Health & Harm Reduction Center, Chamber of Commerce Hawaii, and Hawaii Children's Action Network Speaks!. Your Committee received comments on this measure from the League of Women Voters of Hawaii, Catholic Charities Hawai'i, Tax Foundation of Hawaii, and Parents And Children Together.

Your Committee finds that the structure of the state income tax, general excise tax, and other taxes disproportionately impact low-income households and working families much more than most other states. Further, this tax structure often results in higher earning households paying a smaller percentage of their earned income and disposable income in state taxes.

Your Committee further finds that the earned income tax credit has helped many local families maintain financial security;



however, the tax credit is set to expire this year. This measure will continue to reduce the tax burden for low- to moderate-income families by extending the expiration date of the earned income tax credit.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2131 and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development,

  
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SEAN QUINLAN, Chair



