

STAND. COM. REP. NO. 2618

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2473

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 2473 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a refundable tax credit for nonpaid family caregivers; and
- (2) Require the Department of Taxation to report to the Legislature before the convening of each Regular Session.

Your Committee received testimony in support of this measure from the County of Hawai'i Office of Aging; Alzheimer's Association-Hawaii; Hawai'i Children's Action Network Speaks!; Hawai'i Primary Care Associations; Aloha United Way, Inc.; AARP Hawai'i; The Institute for Human Services, Inc.; Hawai'i Family Caregiver Coalition; and thirteen individuals.

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

Your Committee finds that family caregivers are the backbone of the long-term care system in the State. Your Committee further



finds that nonpaid family caregivers face many physical, emotional, and financial challenges and often balance caregiving with work and other personal responsibilities. Your Committee additionally finds that the demands on family caregivers are not isolated family issues and that the State should assist in the delivery of meaningful support and solutions for those that provide unpaid long-term care services in the State. This measure will therefore help ease the financial expenses incurred by unpaid caregivers.

Your Committee has amended this measure by:

- (1) Inserting language into the definition of "eligible taxpayer" to include any relative of a care recipient who has not claimed a credit under section 235-55.6, Hawaii Revised Statutes;
- (2) Clarifying in the definition of "care recipients" that impairments of individuals be certified by a primary care medical provider;
- (3) Clarifying that the Department of Taxation's report to the Legislature include the number of taxpayers claiming the tax credit;
- (4) Removing language that would have allowed the excess of credit over income tax payments due to be refunded to the taxpayer;
- (5) Correcting the legislative findings to clarify the value of the unpaid service hours for family caregivers from \$2,600,000 to \$2,600,000,000;
- (6) Delaying the applicability of the tax credit to taxable years beginning after December 31, 2024;
- (7) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (8) 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 Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2473, S.D. 1, and be referred to your Committee on Ways and Means.

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



JOY A. SAN BUENAVENTURA, Chair



