

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA

**House Committee on Finance**

Wednesday, February 21, 2024

2:00 p.m.

State Capitol, Conference Room 308 and Videoconference

**In Support of Intent**

**H.B. No. 1662 Relating to a Child Tax Credit**

Chair Yamashita, Vice Chair Kitagawa, and members of the House Committee on Finance:

The Office of the Governor supports the intent of H.B. No. 1662, Relating to a Child Tax Credit. This bill establishes a refundable child tax credit beginning after 12/31/24.

The Governor is in strong support of proposals that would be directed at helping Asset Limited, Income Constrained, Employed (ALICE) households. With our recent rises in inflation many families are struggling. As such, the relief proposed in this bill would be a welcome approach.

The Office of the Governor prefers the language on H.B. No. 2404 (administration bill) Relating to Income Tax as the administration bill is more comprehensive and extensive. H.B. No. 2404 will provide support for working families paying for daycare, babysitting, summer camps, after-school care, and dependent care. This tax credit will also provide relief for working families and help reduce the choice families may face in deciding whether to start a family or invest in a career.

Hawaii has the highest cost of living in the country at nearly twice the national average and our high cost of living is hurting families and individuals and our community well-being. The high cost of living in the State has made it extremely difficult for working families to afford necessities.

Thank you for the opportunity to provide testimony on this measure.



**HB1662**  
**RELATING TO A CHILD TAX CREDIT**  
House Committee on Finance

February 21, 2024

2:00 pm

Conference Room 308

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The Office of Hawaiian Affairs (OHA) **SUPPORTS HB1662**, which establishes a refundable child tax credit.

In 2023, Aloha United Way (AUW) presented detailed statistics of what they refer to as the ALICE population. ALICE stands for asset-limited, income-constrained and employed. While ALICE does not have an income threshold, it gives a clear picture of families working—often more than one job—still struggling to make ends meet and likely to have difficulty weathering emergencies (e.g. medical, housing) and saving for the future. In 2023, AUW noted that more than 40% of Hawai‘i’s population are at or below the ALICE level. The AUW report highlighted that while all ethnicities face hardship, the distribution is not equitable. Strikingly, nearly half of Hawaiians are considered ALICE or below. And, Hawaiians had the second highest percentage of their population living in poverty.

These sobering statistics supported the work that the Office of Hawaiian Affairs has been doing over the last four years with its strategic plan *Mana i Maui Ola*. One of the four strategic directions in our strategic plan is economic stability because we see how critical it is to ensuring Native Hawaiians can thrive here in our homeland.

OHA is encouraged by this legislative proposal as it aims to provide relief to families that struggle most. The same 2023 AUW report found that 76% of single-female-headed households with children were living at or below the ALICE level. Single-male-headed households with children also struggle with 61% of those families living at or below the ALICE level. This puts into focus the financial vulnerability that families with young keiki face.

A refundable tax credit is one step toward supporting families who desperately need relief. During the pandemic, the federal government expanded its child tax credit. The expanded tax credit drove the poverty rate for children to a record low of 5.2%. We



**HB1662**  
**RELATING TO A CHILD TAX CREDIT**  
House Committee on Finance

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saw that it more than doubled to 12.4% in 2022 when the expanded tax credit ended. The State of Hawai‘i has the opportunity to begin to reverse this shift and reduce poverty for our families. We think it’s of particular importance for the State of Hawai‘i to ensure that Native Hawaiian families have the resources to thrive here in their homeland.

Furthermore, the economic benefit expands beyond individual families. The additional funds from the CTC (Child Tax Credit) can have a positive impact on local economies in Hawaiian communities. Families are more likely to spend the extra income locally, supporting businesses and contributing to community development.<sup>1</sup>

OHA recognizes that a child tax credit may require additional resources. We defer to the Department of Taxation on what resources—fiscal and personnel—needed for implementation.

Accordingly, OHA urges the Committee to **advance HB1662**. Mahalo nui for the opportunity to testify on this important issue.

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<sup>1</sup> Smantha Waxman and Iris Hinh, States Can Enact or Expand Child Tax Credits and Earned Income Tax Credits to Build Equitable, Inclusive Communities and Economies, Center on Budget and Policy Priorities, p. 9 (2023)



**STATE OF HAWAII**  
**Executive Office on Early Learning**  
2759 South King Street  
HONOLULU, HAWAII 96826

February 20, 2024

**TO:** Representative Kyle Yamashita, Chair  
Representative Lisa Kitagawa, Vice Chair  
House Committee on Finance

**FROM:** Yuuko Arikawa-Cross, Director  
Executive Office on Early Learning

**SUBJECT: Measure:** H.B. No. 1662 – RELATING TO A CHILD TAX CREDIT  
**Hearing Date:** Wednesday, February 21, 2024  
**Time:** 2:00 pm  
**Location:** Conference Room 308

**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support (written only)**

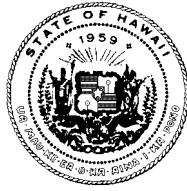
The Executive Office on Early Learning (EOEL) supports H.B. No. 1662 and defers to the Department of Taxation.

Child tax credits have demonstrated to be an effective tax policy that enhances the economic security of families with children, particularly those in lower-to middle-income brackets. One part of the American Rescue Plan Act (ARPA) strengthened the child tax credit, which lifted millions of families and their children out of poverty and prevented further economic disruption many families faced during the COVID-19 pandemic.

Furthermore, income insecurity has been shown to hinder children's educational, health, and future economic outcomes. Implementing a child tax credit means greater stability for families, reductions in poverty, and better outcomes for children.

Thank you for the opportunity to testify in support of this measure.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

TRISTA SPEER  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

February 20, 2024

To: The Honorable Representative Kyle T. Yamashita, Chair  
House Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: **HB 1662 – RELATING TO A CHILD TAX CREDIT.**

Hearing: February 21, 2024, 2:00 p.m.  
Conference Room 308, State Capitol & Video Conference

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this measure and defers to the Department of Taxation and the Department of Budget & Finance.

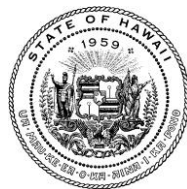
**PURPOSE:** This bill establishes a refundable child tax credit. Applies to taxable years beginning after 12/31/2024.

Refundable child tax credits provide direct financial support to low-income families who do not have a high income tax liability. Refundable child tax credits also stimulate the economy as families can spend money on family and household needs, as Hawaii's prices for food, fuel, utilities, and housing remain amongst the highest in the country. During the COVID-19 pandemic, the available federal child tax credit lifted many families with children out of poverty.

Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau  
P.O. BOX 259

HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1662, Relating to a Child Tax Credit.

**BEFORE THE:**

House Committee on Finance

**DATE:** Wednesday, February 21, 2024

**TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 308

Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding H.B. 1662 for your consideration.

H.B. 1662 would add a new section to chapter 235, Hawaii Revised Statutes (HRS), to create a new refundable child tax credit. To be eligible, a "qualifying individual taxpayer" must file a federal income tax return claiming the federal child tax credit under section 24 of the Internal Revenue Code (IRC), and file their State income tax return using the same filing status and claiming the same dependents as on their federal return. A credit is available for each dependent, under the age of 18, for whom the taxpayer is entitled to a deduction under section 235-54(a), HRS. The credit will be calculated as follows:

<b>Adjusted Gross Income</b>	<b>Credit per dependent</b>
Under \$40,000	\$650

\$40,000 under \$47,500	\$585
\$47,500 under \$55,000	\$520
\$55,000 under \$62,500	\$455
\$62,500 under \$70,000	\$390
\$70,000 under \$77,500	\$325
\$77,500 under \$85,000	\$260
\$85,000 under \$92,500	\$195
\$92,500 under \$100,000	\$130
\$100,000 under \$115,000	\$ 65
\$115,000 and over	\$ 0

A taxpayer with no income tax liability may claim the credit; spouses filing separate tax returns may only claim the credit to which they would have been entitled had a joint return been filed. There are also two disallowance provisions in the measure: (1) for a period of ten taxable years after the most recent taxable year for which there was a final administrative or judicial decision that the taxpayer’s claim for this credit was due to fraud, and; (2) for two taxable years for reasons other than fraud. H.B. 1662 would apply to taxable years beginning after December 31, 2024.

First, the Department notes that it generally prefers new income tax credits be made nonrefundable, as refundable credits are more susceptible to waste, abuse, and fraud.

Second, to promote clarity and consistency with other HRS sections, as well as to avoid taxpayer confusion, the Department suggests the language used in the schedule of graduated income steps be amended as follows:

<b>Adjusted Gross Income</b>	<b>Credit per dependent</b>
<del>Under</del> <u>Not over</u> \$40,000	\$650

<u>Over \$40,000 [under] but not over \$47,500</u>	\$585
<u>Over \$47,500 [under] but not over \$55,000</u>	\$520
etc.	etc.

Third, to streamline administration and prevent a dependent being claimed on more than one return, the Department requests the bill require married couples file a joint return, similar to the requirement in section 235-55.6(e), HRS, relating to the tax credit for expenses for household and dependent care services necessary for gainful employment. Specifically, the Department suggests the following amendments to subsection (a):

**§235- Refundable child tax credit.** (a) Each qualifying individual taxpayer may claim a refundable child tax credit multiplied by the number of dependents of the taxpayer who are under the age of eighteen and with respect to whom the taxpayer is entitled to a deduction under section 235-54 (a); provided that ~~[spouses filing separate tax returns for a taxable year for which a joint return could have been filed by them shall claim only the tax credit to which they would have been entitled had a joint return been filed.]~~ if the taxpayer is married at the close of the taxable year, the credit shall be allowed under this subsection only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year. The tax credit shall be calculated in accordance with the table below.

Finally, the Department notes that it is able to implement this measure with its current applicability to taxable years beginning after December 31, 2024.

Thank you for the opportunity to provide comments on this measure.



TO: Representative Kyle Yamashita, Chair  
Representative Lisa Kitagawa, Vice Chair  
House Committee on Finance

FROM: Robert G. Peters, Chair  
Early Learning Board

SUBJECT: Measure: H.B. No. 1662 – RELATING TO A CHILD TAX CREDIT

Hearing Date: Wednesday, February 21, 2024

Time: 2:00 pm

Location: Conference Room 308

Early Learning Board's Position: Support (written only)

The Early Learning Board supports H.B. No. 1662 and defers to the Department of Taxation.

Child tax credits have demonstrated to be an effective tax policy that enhances the economic security of families with children, particularly those in lower-to middle-income brackets. One part of the American Rescue Plan Act (ARPA) strengthened the child tax credit, which lifted millions of families and their children out of poverty and prevented further economic disruption many families faced during the COVID-19 pandemic.

Furthermore, income insecurity has been shown to hinder children's educational, health, and future economic outcomes. Implementing a child tax credit means greater stability for families, reductions in poverty, and better outcomes for children.

Thank you for the opportunity to testify in support

**HB-1662**

Submitted on: 2/19/2024 12:28:38 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Pride at Work - Hawaii	Pride at Work – Hawai‘i	Support	Written Testimony Only

Comments:

Aloha Representatives,

Pride at Work – Hawai‘i is an official chapter of Pride at Work which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. P@W-HI fully supports HB 1662.

We ask that you support this needed piece of legislation.

Mahalo,

Pride at Work – Hawai‘i

**HB-1662**

Submitted on: 2/19/2024 12:40:14 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Golojuch Jr	Stonewall Caucus of the Democratic Party of Hawai‘i	Support	Remotely Via Zoom

Comments:

Aloha Representatives,

The Stonewall Caucus of the Democratic Party of Hawai‘i; Hawai‘i’s oldest and largest policy and political LGBTQIA+ focused organization fully supports HB 1662.

We hope you all will support this important piece of legislation.

Mahalo nui loa,

Michael Golojuch, Jr. (he/him)  
Chair and SCC Representative  
Stonewall Caucus for the DPH

**HB-1662**

Submitted on: 2/19/2024 1:19:50 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Doris Matsunaga	Save Medicaid Hawaii	Support	Written Testimony Only

Comments:

Save Medicaid Hawaii supports HB 1662

**HB-1662**

Submitted on: 2/19/2024 1:23:42 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Doris Matsunaga	North Hawaii Community Action Network	Support	Written Testimony Only

Comments:

North Hawaii Community Action Network supports HB 1662



# holomua

COLLABORATIVE

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## OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

## OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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## BOARD MEMBERS

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Meli James, *Board Chair*  
Micah Kāne  
Brandon Kurisu  
Mike Mohr  
Brad Nicolai  
Mike Pietsch

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Alicia Moy  
Ed Schultz

Josh Wisch  
*President & Executive Director*

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**Committee:** House Committee on Finance  
**Bill Number:** HB 1662, Relating to a Child Tax Credit  
**Hearing Date and Time:** February 21, 2024 at 2:00pm (Room 308)  
**Re:** Testimony of Holomua Collaborative in support

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

We write in support of HB 1662, Relating to a Child Tax Credit. The purpose of HB 1662 is to establish a refundable child tax credit for Hawaii's working families. Doing so would fill an important gap. To address child poverty, the American Rescue Plan Act of 2021 increased the *federal* child tax credit from \$2,000 to \$3,600 for qualifying children under the age of six and \$3,000 for other qualifying children under the age of 18.

But even though these provisions lifted millions of families and their children out of poverty, they expired at the end of 2021. Since then, at least fourteen states have enacted their own child tax credit.

Holomua supports initiatives that help keep all local working families in Hawai'i by addressing issues of affordability. We are especially interested in fostering cross-sector collaboration and supporting policies that are evidence-based. We know—thanks to the years of testing this policy underwent during the period of the expanded federal state child tax credit—that this bill fits that approach.

Support for the program, because of its effectiveness, came from multiple quarters. Over 200 economists supported it, noting that the program—at under 0.4% of GDP—was too small to increase inflation, but helped families meet rising costs.<sup>1</sup> In addition, the program received support from the U.S. Conference of Catholic Bishops, Small Business for America's Future, and the National League of Cities, among others.

The expanded federal child tax credit succeeded in reducing child poverty. The U.S. child poverty rate fell 40% to its lowest level in 2021, according to the U.S. Census Bureau. The temporary credit lifted nearly 3 million children out of poverty and reduced the number of households that reported not having enough food.<sup>2</sup>

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<sup>1</sup> See "200+ Economists Urge Congressional Leaders to Extend the Expanded CTC to Help Families Meet Rising Costs and Promote Economic Health," Economic Security Project, December 15, 2022 (<https://economicsecurityproject.org/resource/economists-urge-congressional-leaders-to-extend-the-expanded-ctc-to-help-families-meet-rising-costs/>).

<sup>2</sup> See "You're not getting child tax credit checks anymore. Here's why," in the Los Angeles Times, January 3, 2023 (<https://www.latimes.com/politics/story/2023-01-03/child-tax-credit-expired-stimulus>).

We also know this program benefited families from a wide range of circumstances, as the expanded federal child tax credit was available to almost all middle-and-low income families.

The demonstrated success of the expanded federal child tax credit is why 14 other states, so far, have enacted their own state child tax credits. And they do this knowing that beyond helping families, it also aids the broader economy. As reported by Brookings, families used the expanded child tax credit to cover routine expenses without reducing their employment.<sup>3</sup> And Small Business for America's Future noted that a survey from a diverse coalition of the country's leading small business groups found that 62% of small business owners said the flexibility and predictability of the child tax credit allowed parents to increase expenditures on things like home-and-family-based child care, which benefits small businesses that need workers with stable schedules.

Many families went off a financial cliff when the federal government failed to extend this program. Hawai'i is in a good position to follow the lead of many other states and help fill this gap with an innovative, evidence-based program that will lift people out of poverty, while benefiting the broader economy as well. We are proud to support it.

Sincerely,



Josh Wisch  
President & Executive Director

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<sup>3</sup> See "The impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being," Brookings Institution, April 2022 ([https://www.brookings.edu/wp-content/uploads/2022/04/Child-Tax-Credit-Report-Final\\_Updated.pdf](https://www.brookings.edu/wp-content/uploads/2022/04/Child-Tax-Credit-Report-Final_Updated.pdf)).



## TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII

### HOUSE COMMITTEE ON FINANCE

FEBRUARY 21, 2024

HB 1662, RELATING TO A CHILD TAX CREDIT

POSITION: SUPPORT

The Democratic Party of Hawaii **supports** HB 1662, relating to a child tax credit. Pursuant to the “Economic Justice and Labor” section of the official Democratic Party of Hawaii platform, the party supports “policies that circulate currency through our economy, helping businesses to thrive, including tax policy that lessens the tax burden of low- and middle-income earners and increases the tax burden of high-income earners and the wealthy. We support government investments of tax revenue in community development, government anti-poverty programs, and the transition to a sustainable, green economy.”

Raising children is expensive. Recent reports show that the cost of raising a child is over \$200,000 throughout the child’s lifetime. The American Rescue Plan Act of 2021 increased the federal child tax credit from \$2,000 to \$3,600 for qualifying children under age six, and \$3,000 for other qualifying children under age eighteen, while allowing the credit to be distributed monthly.

Sadly, the provisions of the American Rescue Plan that strengthened the child tax credit expired at the end of 2021, despite lifting millions of families and their children out of poverty. The expanded credit has not yet been restored by Congress. In the face of federal inaction to maintain a robust child tax credit, states have a responsibility to enact policies that assist working families with children in meeting their basic needs.



According to the National Conference of State Legislatures, twelve other jurisdictions have enacted a state child tax credit. State laws vary regarding refundability and how child tax credits are calculated. The two primary approaches are either establishing a fixed limit or a percentage of the federal child tax credit. The fixed limit for state child tax credits ranges from \$75 to \$1,000 per child. The percentage for state child tax credits range from five per cent to thirty-three per cent of the federal child tax credit. This proposal would establish a refundable child tax credit of \$650 per child, a huge boost for working parents.

Furthermore, the child tax credit is a boon to the business sector. In November of 2022, the Economic Security Project released a report that stated:

Monthly Child Tax Credit payments made it easier for recipients to work. In one national survey, one-quarter of respondents reported that the monthly payments made it easier for them to engage in paid work or work more hours. Black respondents were twice as likely as white respondents to say so, and lower-income respondents were more likely to say so than higher-income counterparts...The Child Tax Credit creates jobs and encourages entrepreneurship. Support from these tax credits puts more money into local economies and helps burgeoning business owners by helping cover some of the costs of food, child care, and gas allowing more freedom to take a risk. According to recipient data, 21.3 percent of former tax credit recipients were either currently running their own business or planning to start one. The Niskanen Center found that extending the Child Tax Credit for a year would support the equivalent of 500,000 private-sector jobs.

Our keiki are our most precious resource. As our islands continue to struggle with the nation's highest overall cost of living, passing this measure would ensure that working families have the financial resources that they need to help their children succeed.

Mahalo nui loa,

**Kris Coffield**

*Co-Chair, Legislative Committee*

(808) 679-7454

kriscoffield@gmail.com

**Abby Simmons**

*Co-Chair, Legislative Committee*

(808) 352-6818

abbyalana808@gmail.com



## **HOUSE BILL 1662, RELATING TO A CHILD TAX CREDIT**

FEBRUARY 21, 2024 · FIN HEARING

**POSITION:** Support.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus **supports** HB 1662, relating to a child tax credit, which establishes a refundable child tax credit.

Raising children is expensive. Recent reports show that the cost of raising a child is over \$200,000 throughout the child's lifetime. The American Rescue Plan Act of 2021 increased the federal child tax credit from \$2,000 to \$3,600 for qualifying children under age six, and \$3,000 for other qualifying children under age eighteen, while allowing the credit to be distributed monthly.

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Our keiki are our most precious resource. As our islands continue to struggle with the nation's highest overall cost of living, passing this measure would ensure that working families have the financial resources that they need to help their children succeed.

**Kris Coffield · Chairperson, DPH Education Caucus · (808) 679-7454 · [kriscoffield@gmail.com](mailto:kriscoffield@gmail.com)**



## HB 1662, RELATING TO A CHILD TAX CREDIT

FEBRUARY 21, 2024 · FIN HEARING

**POSITION:** Support.

**RATIONALE:** Imua Alliance supports HB 1662, relating to a child tax credit, which establishes a refundable child tax credit.

Raising children is expensive. Recent reports show that the cost of raising a child is over \$200,000 throughout the child's lifetime. The American Rescue Plan Act of 2021 increased the federal child tax credit from \$2,000 to \$3,600 for qualifying children under age six, and \$3,000 for other qualifying children under age eighteen, while allowing the credit to be distributed monthly.

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Our keiki are our most precious resource. As our islands continue to struggle with the nation's highest overall cost of living, passing this measure would ensure that working families have the financial resources that they need to help their children succeed.

**Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · [kris@imuaalliance.org](mailto:kris@imuaalliance.org)**



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAI'I LABOR CAUCUS

HOUSE COMMITTEE ON FINANCE · FEBRUARY 21, 2024

HB 1662, RELATING TO A CHILD TAX CREDIT

POSITION: SUPPORT

The Democratic Party of Hawai'i Labor Caucus **supports** HB 1662, relating to a child tax credit, which establishes a refundable child tax credit.

Raising children is expensive. Recent reports show that the cost of raising a child is over \$200,000 throughout the child's lifetime. The American Rescue Plan Act of 2021 increased the federal child tax credit from \$2,000 to \$3,600 for qualifying children under age six, and \$3,000 for other qualifying children under age eighteen, while allowing the credit to be distributed monthly.

Sadly, the provisions of the American Rescue Plan that strengthened the child tax credit expired at the end of 2021, despite lifting millions of families and their children out of poverty. The expanded credit has not yet been restored by Congress. In the face of federal inaction to maintain a robust child tax credit, states have a responsibility to enact policies that assist working families with children in meeting their basic needs.

According to the National Conference of State Legislatures, twelve other jurisdictions have enacted a state child tax credit. State laws vary regarding refundability and how child tax credits are calculated. The two primary approaches are either establishing a fixed limit or a percentage of the federal child tax credit. The fixed limit for state child tax credits ranges from \$75 to \$1,000 per child. The percentage for state child tax credits range from five per cent to thirty-three per cent of the federal child tax credit. This proposal would establish a refundable child tax credit of \$650 per child, a huge boost for working parents.

Furthermore, the child tax credit is a boon to the business sector. In November of 2022, the Economic Security Project released a report that stated:

Monthly Child Tax Credit payments made it easier for recipients to work. In one national survey, one-quarter of respondents reported that the monthly payments made it easier for them to engage in paid work or work more hours. Black respondents were twice as likely as white respondents to say so, and lower-income respondents were more likely to say so than higher-income counterparts...The Child Tax Credit creates jobs and encourages entrepreneurship. Support from these tax credits puts more money into local economies and helps burgeoning business owners by helping cover some of the costs of food, child care, and gas allowing more freedom to take a risk. According to recipient data, 21.3 percent of former tax credit recipients were either currently running their own business or planning to start one. The Niskanen Center found that extending the Child Tax Credit for a year would support the equivalent of 500,000 private-sector jobs.

Our keiki are our most precious resource. As our islands continue to struggle with the nation's highest overall cost of living, passing this measure would ensure that working families have the financial resources that they need to help their children succeed.

Mahalo,

**Jason Bradshaw**

*Chairperson, Democratic Party of Hawai'i Labor Caucus*



P.O. Box 4270 Kaneohe, HI 96744  
[www.breastfeedinghawaii.org](http://www.breastfeedinghawaii.org)

TO: Representative Kyle Yamashita, Chair, Representative Lisa Kitagawa, Vice Chair  
and Members of the Committee on Finance

FROM: Patricia Bilyk, RN, MPH, MSN, IBCLC (Retired)  
Breastfeeding Hawaii Board Treasurer

RE: HB 1662 Creating a Refundable Child State Tax Credit

DATE: Wednesday, February 21, 2024 2pm

Good Afternoon Chair Yamashita, Vice Chair Kitagawa and Members of the Finance Committee.  
I am Patricia Bilyk, representing Breastfeeding Hawaii. We stand in  
**STRONG SUPPORT** of HB 1662 Creating a Refundable Child State Tax Credit.

Breastfeeding Hawaii is a non profit 501(c)3 organization in the State of Hawaii whose  
primary purpose is to protect, support and promote breastfeeding families in Hawaii. We  
advocate and provide education to the families we serve, professionals and the general public.

In our role of advocacy, we feel it is extremely important for our State to invest in the wellbeing  
of Hawaii's infants, children and their families by creating a prosperous and sustainable future  
for them through a refundable child tax credit.

Since our Federal government did not extend the child tax credits from the American Rescue  
Plan Act of 2021, it is incumbent upon our State to do it through legislation. The national child  
tax credit had been proven to elevate families with children out of poverty. With Hawaii's high  
standard of living, it is a must to act and help our families through this tax credit.

Please pass this bill to provide more financial security for our local families and help them thrive  
in our State.

Mahalo.



# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Establish Refundable Child Tax Credit

BILL NUMBER: HB 1662

INTRODUCED BY: KAPELA, AMATO, COCHRAN, GANADEN, GARRETT, HUSSEY-BURDICK, KITAGAWA, KOBAYASHI, LA CHICA, LOWEN, MARTEN, MARTINEZ, MATSUMOTO, MORIKAWA, NISHIMOTO, PERRUSO, POEPOE, TAM, TARNAS, TODD, WARD, WOODSON, Quinlan (Working Families Legislative Caucus)

EXECUTIVE SUMMARY: Establishes a refundable child tax credit for taxable years beginning after 12/31/2024.

SYNOPSIS: Adds a new section to chapter 235, HRS, to establish a child tax credit.

The amount of the credit varies with the AGI of the qualifying individual taxpayer(s), as follows:

Adjusted gross income	Credit per dependent under 18
<b>Under \$40,000</b>	\$650
<b>\$40,000 under \$47,500</b>	\$585
<b>\$47,500 under \$55,000</b>	\$520
<b>\$55,000 under \$62,500</b>	\$455
<b>\$62,500 under \$70,000</b>	\$390
<b>\$70,000 under \$77,500</b>	\$325
<b>\$77,500 under \$85,000</b>	\$260
<b>\$85,000 under \$92,500</b>	\$195
<b>\$92,500 under \$100,000</b>	\$130
<b>\$100,000 under \$115,000</b>	\$ 65
<b>\$115,000 and over</b>	\$ 0

The credit is refundable.

All claims, including amended claims, for a tax credit under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

No credit shall be allowed for the next two years after a final administrative or judicial decision disallowing the taxpayer's claim for credit for reasons other than fraud. If the disallowance is due to fraud, the disallowance period is 10 years.

Defines "qualifying individual taxpayer" as one who (1) files a federal income tax return for the taxable year claiming the child tax credit under section 24 of the Internal Revenue Code; and (2) files a Hawaii income tax return using the same filing status used on the taxpayer's federal income

tax return for the taxable year and claiming the same dependents claimed on the federal income tax return for the taxable year.

EFFECTIVE DATE: Applies to taxable years beginning after December 31, 2024.

STAFF COMMENTS: The tax system is there to raise revenue to keep the government moving. Using the tax system to shape social policy merely throws the revenue raising system out of whack, making the system less than reliable as there is no way to determine how many taxpayers will avail themselves of the credit and in what amount.

Furthermore, tax credits are nothing more than the expenditure of public dollars, but out the back door. If, in fact, these dollars were subject to the appropriation process, would taxpayers be as generous about the expenditure of these funds when our kids are roasting in the public school classrooms, there isn't enough money for relief for residents displaced by wildfires, or our state hospitals are on the verge of collapse, overtaxed by the pandemic?

Next, as a policy matter, lawmakers might prefer that the recipient of the refund not use the money obtained on certain things, illegal drugs for example. But the tax system contains no way of restricting the uses of a refund check; other departments do have systems in place to give some assurance that the payment will go toward legitimate living expenses such as groceries (EBT, for example). Simply put, the Department of Taxation is built to take money in, not give it out. There are other agencies better equipped to give out benefits to those needing them.

Rather than increase complexity of the system by adding credit upon credit, consideration should be given to rate relief and bracket relief. People now making money at the federal poverty line are in the *fifth* bracket from the bottom. The better solution is to get such people out of the tax system entirely. They receive peace of mind because they don't have to worry about tax returns, and the Department doesn't have to worry about processing those returns (or expend the considerable administrative costs needed to do so). If additional relief to people is considered desirable, it can be delivered through the agencies that are better equipped to do so.

Digested: 2/19/2024



*Cade Watanabe, Financial Secretary-Treasurer*

*Gemma G. Weinstein, President*

*Eric W. Gill, Senior Vice-President*

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February 20, 2024

House Committee on Finance  
Representative Yamashita, Chair  
Representative Kitagawa, Vice Chair

Re: **Bill HB1662 – RELATING TO A CHILD TAX CREDIT**

Chair Yamashita and Vice Chair Kitagawa and Members of the Committee,

UNITE HERE Local 5 represents working people throughout Hawaii’s hotel, food service and healthcare industries. We are in SUPPORT of HB1662. The bill aims to establish a state Child Tax Credit (CTC) for Hawaii, a policy that could lift thousands of local children out of poverty.

Local 5, through collective bargaining, provide safer, better working conditions, good wages, affordable healthcare, job security, dignity, respect and many other benefits for its members.

However, a recent survey have shown that the majority of our members spend more than 50% of their paycheck on housing, are unable to afford an unexpected bill of \$500 and have contemplated leaving the Islands because it’s too expensive to live in Hawaii.

We will do our part in negotiating more for our members this year from the corporations. We ask our elected leaders do their part and pass this measure and directly support 176,000 children in Hawaii.

Thank you for the opportunity to testify.



CATHOLIC CHARITIES HAWAII

**TESTIMONY IN SUPPORT OF HB 1662: RELATING TO A CHILD TAX CREDIT**

TO: House Committee on Finance

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

Hearing: **Wednesday, 2/21/24; 2:00 PM; via Videoconference or Room 308.**

Chair Yamashita, Vice Chair Kitagawa, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony in **Strong Support of HB 1662**, which establishes a refundable child tax credit. I am Rob Van Tassell with Catholic Charities Hawaii. **This bill provides one step to address the great burden that Hawaii's cost of living places on our many working families.**

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 75 years. CCH has programs serving elders, children, families, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawaii. This bill is one of our economic justice priorities.

You have heard the bad news. Our workforce is struggling, paying high rents and high costs for food and living expenses. **Thousands are moving out of Hawaii each year.** Families with children are really hard hit like the ALICE cohort. Catholic Charities Hawaii participates with Aloha United Way in an initiative to bring help and hope to the ALICE population. Their overwhelming needs however require attention from the State.

This refundable tax credit would invest in the well-being of children and families and will bring future stability and prosperity. This Keiki Tax Credit would not only help ALICE families, but would also lift many children out of poverty. Research shows that children raised in financially stable families have better educational outcomes, better health, and higher incomes later in life. The future of Hawaii is in our children.

We must take action now. Losing our workforce not only brings sadness and stress to families, it also brings cultural losses. The ongoing population loss of kamaaina will change Hawaii. **Significantly, it also results in a serious financial impact to State revenues.** These are workers who pay taxes including GET and income tax. Their loss to more affordable states drains our economy.

**We urge your support for this bill to give hope to workers with children who want to stay in Hawaii but feel forced to leave!** If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.





# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

Thank you for the opportunity to testify on behalf of Hawai'i Appleseed in **strong support** of HB 1662. This bill would implement a state-level Child Tax Credit (CTC) for Hawai'i, one that builds on the incredible success of the CTC at the national level. The CTC works by giving a tax refund to families with children, which they can use to pay for food, housing, education, and other essential expenses.

### *Background*

The COVID-19 pandemic had a disastrous impact on the livelihoods of Hawai'i's working families. The unemployment rate skyrocketed to over 20%, and the accompanying economic recession has had a lasting impact on poverty in Hawai'i.

In 2022, 29% of Hawai'i's population belonged to the Asset Limited, Income Constrained, Employed (ALICE) category, with an additional 15% residing below the poverty line. In total, this means that 44% of Hawai'i's residents had some difficulty with making ends meet.<sup>1</sup> Furthermore, many ALICE families are on the brink of poverty, leaving them vulnerable to the unexpected costs that come with events such as medical emergencies or car repairs. This burden is only magnified for parents who must care for their children's needs on top of their other household expenses.

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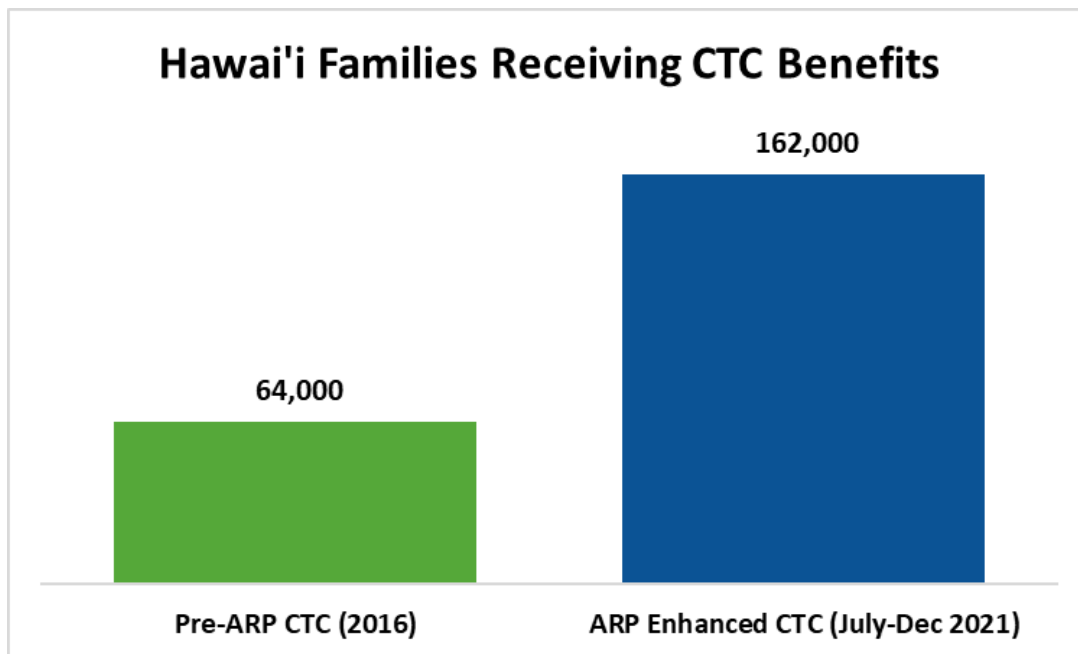
<sup>1</sup> <https://www.auw.org/sites/default/files/pictures/ALICE%20in%20Hawaii%20-%202022%20Facts%20and%20Figures%20Full%20Report.pdf>

**Table 1.** Economic characteristics of families with children by race/ethnicity

	White Alone	Filipino Alone	Japanese Alone	Native Hawaiian and Pacific Islander Alone
Median Earnings (Male)	\$71,919	\$49,580	\$71,865	\$51,129
Median Earnings (Female)	\$62,261	\$41,131	\$58,990	\$41,723
Percentage of Population Aged 0–4	3.50%	3.80%	1.70%	7.40%
Percentage of Population Aged 5–17	10.50%	14.80%	5.00%	20.00%
Poverty Rate for Families with Related Children under 18	12.40%	7.60%	8.80%	17.60%

*The Child Tax Credit*

The federal CTC has provided critical support to working families in the US since 1997. It was expanded under the provisions of the American Rescue Plan in 2021, which increased the maximum CTC amount to \$3,600 for each child aged 0–5 and \$3,000 for each child aged 6–17. This historic investment lifted 2.9 million children in the US out of poverty—nearly cutting the child poverty rate in half and making the CTC the single most effective anti-poverty program in the history of the United States.



A total of 162,000 families in Hawai‘i (with more than 272,000 children) reaped the benefits of the expanded federal CTC, receiving an average tax refund of \$2,426.<sup>2</sup> Analysis shows that had this expansion been made permanent, the child poverty rate in Hawai‘i would have dropped from 9.8 percent to just 5 percent.<sup>3</sup>

However, when the federal CTC expansion ended in 2021, there was a significant rollback in its impact on poverty. The national poverty rate more than doubled from 5.2% to 12.4% by 2022. At the same time, there was a 25% surge in food insecurity among households with children in the U.S. between January and July of 2022. To compensate for the 14 states have created their own

The state CTC proposed in this bill would provide a tax credit of \$650 per child under the age of 18. Above an income threshold of \$40,000, the credit would be gradually phased out by 10% for each additional increment of \$7,500, with an income cap of \$115,000. Furthermore, this CTC would include refundability, ensuring that even individuals with minimal income tax obligations could receive the entire amount of the credit.

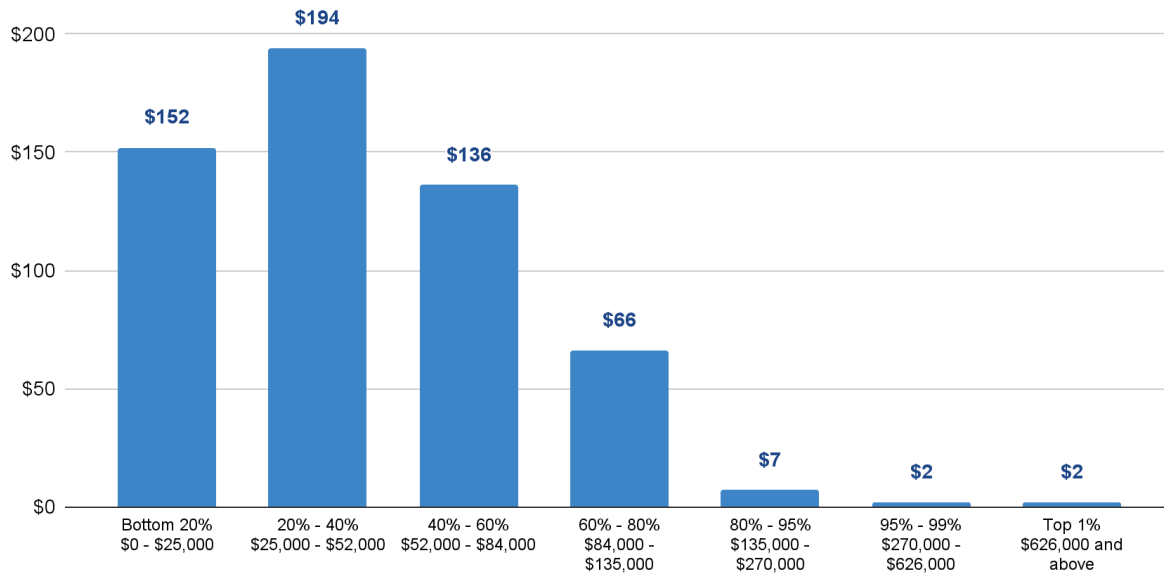
Although this version of the CTC would cost \$84 million, it would directly benefit 176,000 children in Hawai‘i, targeting its benefits towards the families that need them the most, including families in poverty and those belonging to the broader ALICE category. Consequently, the CTC would lift up the majority of parents who are financially insecure, even if they are not technically beneath the poverty line.

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<sup>2</sup> “State-by State Analysis on American Rescue Plan: Child Tax Credit,” The White House, 2021. <https://www.whitehouse.gov/wp-content/uploads/2022/03/Hawai'i-Tax-Credit-1-pager-3.8.pdf>.

<sup>3</sup> “How a Permanent Expansion of the Child Tax Credit Could Affect Poverty,” Urban Institute, July 2021. [https://www.urban.org/sites/default/files/publication/104626/how-a-permanent-expansion-of-the-child-tax-credit-could-affect-poverty\\_1.pdf](https://www.urban.org/sites/default/files/publication/104626/how-a-permanent-expansion-of-the-child-tax-credit-could-affect-poverty_1.pdf)

Average Tax Cut for Hawai'i Residents Receiving CTC by Income Bracket (2023)<sup>4</sup>



This graph shows how taxpayers in the 20% to 40% quintile would benefit the most from the CTC. Taxpayers in the upper fifth quintile would receive comparatively small amounts.

Mahalo for your time and consideration.

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<sup>4</sup> Institute on Taxation and Economic Policy, 2023 analysis.





Date: February 20, 2024

To: House Committee on Finance  
Representative Kyle T. Yamashita, Chair  
Representative Lisa Kitagawa, Vice Chair  
And members of the Committee

From: Early Childhood Action Strategy

Re: Support for HB1662, which would establish a refundable state child tax credit

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Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

**ECAS strongly supports passage of HB1662**, which would establish a refundable state child tax credit.

According to the Institute on Taxation and Economic Policy, Hawaii places the second-highest tax burden on low-income households, with Hawaii's lowest-income households paying approximately fifteen per cent of their income in state and local taxes. In comparison, Hawaii's highest earning households pay roughly nine per cent of their income in state and local taxes.

Investing in the well-being of Hawaii's children is essential to the creation of a prosperous and sustainable future. In the face of federal inaction to maintain a robust child tax credit, states have a responsibility to enact policies that assist working families with children in meeting their basic needs. The legislature further finds that according to the National Conference of State Legislatures, fourteen other jurisdictions have enacted a state child tax credit.

Thank you for this opportunity to provide testimony **in support of HB1662** which will strengthen tax fairness for working families by establishing a refundable State child tax credit.



### Our Mission

Increase Hawai'i's investments in its youngest keiki by collaborating with elected officials and serving as a trusted partner and reliable resource for information on issues related to Hawai'i's youngest keiki and families.



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Sulma Gandhi  
Kahi Moreman  
Angela Thomas



### Contact Info

700 Bishop Street, Suite 1701  
Honolulu, Hawai'i 93813

info@committokeiki.org  
CommitToKeiki.org

Date: February 20, 2024  
To: House Committee on Finance  
Representative Kyle T. Yamashita, Chair  
Representative Lisa Kitagawa, Vice Chair

From: Commit to Keiki  
Re: Support for **HB1662**, Relating to Child (Keiki) Tax Credit

**Commit to Keiki strongly supports passage of HB1662**, which would establish a refundable child tax credit.

Commit to Keiki has three key priorities to support early childhood development and the health and wellbeing of Hawai'i's youngest keiki and their families. Priorities include

1. Child Care and Early Learning
2. Early Childhood Mental Health
3. Family Violence Prevention

Investing in the well-being of Hawai'i's keiki is essential to the creation of a prosperous and sustainable future. Passing the Child Tax Credit would provide foundational support all three of Commit to Keiki's priorities. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate **more than doubled** as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with keiki.

14 states have adopted their own CTCs. Hawai'i should become the 15th. Please pass this bill to provide the financial security that local 'ohana need to thrive in our islands.

We strongly urge you to support **HB1662**.

Thank you for the opportunity to provide testimony.

**HB-1662**

Submitted on: 2/20/2024 12:22:40 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Suzanne Skjold	Aloha United Way	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee members,

Aloha United Way and the ALICE Initiative strongly support HB1662, known as the Keiki Credit bill. The 19 service agencies in the ALICE Initiative support this credit because a child credit, along with EITC, are the most impactful ways to reduce the number of families and children living in poverty.

For many ALICE families, the difference of a few hundred dollars a month is the difference between survival and a financial crisis, and the Keiki Credit can fill this gap during the years of greatest expenses for families when they are raising children that can help with essential expenses.

The ALICE report strongly shows the need for additional support for the 44% of families who struggle with basic monthly expenses and the cost of living in Hawaii. Without additional help, we will continue to see more children living in poverty and our working families leaving the State.

we encourage you to support HB1662 to help to address the growing gap between income and costs struggling families with children.

Mahalo for your consideration.

Suzanne Skjold

Chief Operating Officer

Aloha United Way

and the ALICE Initiative



AMERICANS FOR DEMOCRATIC ACTION

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Jenny Nomura

Stephen O'Harrow  
Maria Glodilet Rallojaj  
Bill South

**MAILING ADDRESS**

P.O. Box 23404  
Honolulu HI  
968233

February 20, 2024

TO: Chair Yamashita and Members of the FIN Committee

RE: HB 1662 Relating to A Child Tax Credit

Support for hearing on February 21

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support this bill as it would establish a refundable child tax credit. This is not an expenditure; it is an investment. Bettering the lives of children now produces more responsible citizens down the road. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty, cutting the child poverty rate in half. Unfortunately it has not been renewed. At least twelve other jurisdictions have implemented a state child tax credit. Please pass this bill to provide the financial security that local families need.

Thank you for your favorable consideration.

Sincerely,

John Bickel, President



# IATSE LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS  
Since 1937



INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS  
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

Thirty-Second Legislature, State of Hawai'i  
Regular Session of 2024  
House Committee on Finance

Testimony by IATSE 665  
February 21st, 2024

## **HB 1662 - RELATING TO A CHILD TAX CREDIT**

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the House committee,

My name is Tuia'ana Scanlan, International Trustee and president of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **Local 665 strongly supports HB 1662**, relating to a child tax credit.

Investing in the well-being of Hawai'i's children is essential to the creation of a prosperous and sustainable future. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty. As the economy reeled from the pandemic in 2021, a one-year expansion of the child tax credit led to a historic 46 percent decline in the U.S. child poverty rate, dropping from 9.7 percent to 5.2 percent.

Yet, Congress failed to reauthorize the credit's expansion. Since its expiration, many families with children have seen a reversal of fortune directly attributable to the loss of the credit—including lower disposable income and increased poverty, food hardship, and financial strain—posing an ongoing challenge for families nationwide. New census data shows a dramatic reversal, with the rate of children in poverty skyrocketing to 12.4 percent in 2022. That's higher than pre-pandemic levels. In the face of federal inaction, states must enact policies that assist working families with children in meeting their basic needs. At least twelve other jurisdictions have implemented a state child tax credit. The local working families of Hawai'i desperately need the financial security that HB 1662 provides.

**IATSE 665 strongly supports HB 1662. We hope your committee will do the same.**  
Thank you for the opportunity to testify.

In Solidarity,

A handwritten signature in black ink, appearing to read 'Tuia'ana Scanlan'.

Tuia'ana Scanlan  
International Trustee  
President, IATSE 665  
(he/him/his)



# Parents And Children Together

BUILDING THE RELATIONSHIPS  
THAT MATTER MOST

ParentsAndChildrenTogether.org

## TESTIMONY IN SUPPORT OF HB 1662 RELATING TO A CHILD TAX CREDIT

**TO:** Chair Yamashita, Vice-Chair Kitagawa, & Members,  
House Committee on Finance  
**FROM:** Ryan Kusumoto, President & CEO  
**DATE:** February 21, 2024 at 2:00 PM

**Parents and Children Together (PACT) offers testimony in support of HB 1662 Relating to a Child Tax Credit**, which establishes a refundable child tax credit.

Founded in 1968, PACT is a statewide community-based organization providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, we help identify, address, and successfully resolve challenges through our 20 programs. Among our services are early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention and community building programs.

Through our programs, we are seeing the rise in food and housing insecurity that our local families face. Even working families who have not previously needed help with food have started to request and accept it. We saw this increase start during the early days of the COVID-19 pandemic and increase through the rise of inflation and the 2023 Maui wildfire crisis. In response, we have increased direct food and financial assistance to program participants in the Kalihi and Maui communities. Additionally, we support survivors of domestic violence through the financial impact of keeping their families safe, which often includes leaving their abusive financial provider partner. Many of the survivors we serve struggle through houselessness and loss of income. **A refundable child tax credit would help these families at low-income levels purchase the basic goods they need for their children.**

Research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits will be felt across multiple generations, to the benefit of our entire community.

Thank you for the opportunity to testify. Please contact me at (808) 847-3285 or [rkusumoto@pacthawaii.org](mailto:rkusumoto@pacthawaii.org) if you have any questions.



## HIPHI Board

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## HIPHI Initiatives

Coalition for a  
Tobacco-Free Hawai'i

Community-Based Research &  
Evaluation

Community Health  
Worker Initiatives

COVID-19 Response

Environmental Health

Hawai'i Drug & Alcohol-Free  
Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &  
Community Living

Public Health Workforce  
Development

Date: February 20, 2024

To: Rep. Kyle T. Yamashita, Chair  
Rep. Lisa Kitagawa, Vice Chair  
Members of the House Committee on Finance

Re: HB 1662 Relating to a Child Tax Credit

Hrg: Wednesday, February 21, 2024 2:00 PM

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Healthy Eating + Active Living (HEAL) Coalition, convened by the Hawai'i Public Health Institute<sup>i</sup> appreciates the opportunity to provide testimony in **Support of HB1662**, which would establish a refundable child tax credit.

### Reducing Child Poverty

The child tax credit that was implemented nationwide in 2021 helped alleviate child poverty significantly. Child poverty rates were 12% in 2019, fell to 5% in 2021. That federal child tax credit expired and child poverty rates are above 12% again.<sup>ii</sup> Families continue to face rising prices, credit interest rates, rents, and food costs. This credit will bring needed relief to those who are must make choices between feeding their children, paying rent, or paying a utility bill. ALICE families account for half the families in Hawai'i and are desperately in need of this additional financial support.<sup>iii</sup>

### Improved Health Outcomes

This tax credit is a monetary investment, more importantly it is a human investment. Low-income families struggle to survive in Hawai'i and their health takes a significant toll. Those who live in poverty are at a higher risk for chronic disease, shorter lifespans, illness and depression.<sup>iv</sup> For children, living in poverty can have lifelong impacts. By ensuring basic needs are met, we are strengthening the health and wellness of our residents.

Please consider our testimony in support of HB1662 and pass this bill.

Sincerely,

Nate Hix  
Social Impact Policy Manager  
Hawai'i Public Health Institute

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<sup>i</sup> The Healthy Eating + Active Living (HEAL) Coalition, formerly known as the Obesity Prevention Task Force, was created by the legislature in 2012 and is comprised of over 60 statewide organizations. The HEAL Coalition works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents.

<sup>ii</sup> <https://www.vox.com/future-perfect/2023/9/21/23882353/child-poverty-expanded-child-tax-credit-census-welfare-inflation-economy-data>

<sup>iii</sup> <https://unitedforalice.org/hawaii>

<sup>iv</sup> <https://pubmed.ncbi.nlm.nih.gov/29363333/>

## TESTIMONY IN SUPPORT OF HB 1662

**TO:** Chair Yamashita, Vice Chair Kitagawa, & FIN Committee Members

**FROM:** Nikos Leverenz  
Grants & Advancement Manager

**DATE:** February 21, 2024 (2:00 PM)

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Hawai'i Health & Harm Reduction Center (HHRC) **supports** HB 1662. This bill establishes a progressive refundable tax credit. It would provide families making less than \$40,000 per year with a full credit of \$650 per child.

[Income is the foremost determinant of health](#). As reported by the Brookings Institution, [the federal expansion of the child tax credit in 2021 resulted in an immediate and substantial decrease in child poverty](#). While the level of relief provided for in this bill is relatively modest compared with that now-defunct expansion, it is also important to remember that [Hawai'i has the third-highest effective tax rate \(14.1%\) paid by the lowest 20% of households](#), according to a recent report by the Institute on Taxation and Economic Policy.

Families making less than \$40,000 per year, whether in urban Honolulu or Makawao, would greatly benefit from an additional \$650 per child per year to meet their household expenses, including costs related to medical care, transportation, and utilities.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those relating to substance use and underlying mental health conditions. Many of our clients and participants have been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.



**HB-1662**

Submitted on: 2/20/2024 1:57:55 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Reina Miyamoto	Hawaii HomeOwnership Center	Support	Written Testimony Only

Comments:

Aloha,

Hawaii HomeOwnership Center is a non-profit organization that provides support to first-time homebuyers through classes, individual coaching, and post-purchase services. Most of our members are local residents who are considered low to moderate income.

I'm submitting testimony in SUPPORT of this bill. The child tax credit is a vehicle to support families address their basic living expenses. In a state where there is a high cost of living and for housing, this tax credit can make a difference to ensure our local workforce can afford to continue to be part of our local communities.

Thank you for your consideration.

Sincerely,

Reina Miyamoto

Hawaii HomeOwnership Center

Executive Director



## Testimony in Support of HB 1662, Relating to a Child Tax Credit

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Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

We write in strong **support of HB 1662**, Relating to a Child Tax Credit. The purpose of HB 1662 is to establish a refundable child tax credit for Hawaii's working families.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawaii is at our core, and through our products and services, we work hard to make Hawaii a better place for future generations.

This bill is needed because the expansion of the federal child tax credit that was included as part of the American Rescue Plan Act of 2021 recently expired, sending many families back into poverty. Hawaii has the opportunity to join the fourteen other states that have implemented this policy to help our working families cover the costs of food, child care and other necessities.

We are aligned with this approach of lifting people out of poverty while simultaneously providing a boost to the economy. We are proud to testify in support.

A handwritten signature in black ink that reads "Brandon Kurisu".

Brandon Kurisu  
aio Family of Companies





**Testimony to  
House Committee on Finance  
February 21, 2024  
2:00 PM  
Conference Room 308 & VIA videoconference  
Hawaii State Capitol  
HB 1662**

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

Hawai'i Gas supports HB 1662, which would establish a refundable child tax credit for Hawai'i's working families. This bill is needed because the expansion of the *federal* child tax credit that was included as part of the American Rescue Plan Act of 2021 was allowed to expire by Congress, sending many families back into poverty. Hawai'i now has the opportunity to fill the gap left by the federal government.

Established in 1904, Hawaii Gas serves over 70,000 customers on all islands through its utility pipeline infrastructure and propane business, all of whom depend on the company for sustainable, reliable, and affordable gas for water heating, cooking, drying, and other commercial and industrial applications. The company employs some 350 professionals, over 75% of whom are under collective bargaining. With our family of employees working in communities across Hawai'i, we know how important it is for people to get just a little bit of extra help to make ends meet, especially as their own families grow.

Because of the time during the COVID pandemic that the expanded federal child tax credit was in effect we have the data to know that it worked. It resulted in a sharp, historic drop in child poverty rates, less food insecurity, and more financial stability. This, in turn, infused more money into local economies each month. This positive impact was felt by small businesses as well. Thanks to a survey conducted by Small Business for America's Future, we learned that 62% of small business owners said the child tax credit allowed parents to increase expenditures on things like home-and-family based childcare, which benefits small businesses that need workers with stable schedules.

In short, the expanded federal tax credit lifted millions of people out of poverty, was designed in such a way that it helped with family financial planning, pushed more money into local small businesses and local economies, and was also shown to have no negative impact on employment. In fact, many families reported using child tax credit payments for childcare, *reducing* a barrier to employment. But since the federal tax credit was allowed to expire, all these benefits have been put at risk.

Hawai'i is in a good position to eliminate that risk and provide more security to local families by passing the state child tax credit, and we urge the committee to pass HB 1662.

Thank you for the opportunity to testify.



HAWAIIAN  
HOST  
GROUP

February 21, 2024

**RE: HB 1662, Relating to a Child Tax Credit – In Support**

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

Founded and based in Hawai'i, Hawaiian Host is nearly 100 years old. With local roots and a global reach, Hawaiian Host is the largest manufacturer of chocolate-covered macadamias in the world.

Hawaiian Host Group supports innovative initiatives that help make Hawai'i affordable to all working families. We are especially interested in fostering cross-sector collaboration and supporting policies that are evidence based. And we know – thanks to the years of testing this policy underwent during the period of the expanded federal state child tax credit – that the policy approach in HB 1662 checks all those boxes.

The demonstrated success of the expanded federal child tax credit is why 14 other states, so far, have enacted their own state child tax credits.

We are pleased to testify in support of HB 1662.

Aloha,

Ed Schultz  
President & CEO  
Hawaiian Host Group



**HAWAI'I COMMUNITY  
FOUNDATION**

**Testimony in Support of HB 1662, Relating to a Child Tax Credit**

From: Micah Kāne, Chief Executive Officer & President - Hawai'i Community Foundation

Re: Support for a Child Tax Credit

The Hawai'i Community Foundation (HCF) strongly supports House Bill 1662, which will help support local families by establishing a refundable state child tax credit. Previous federal child tax credits been shown to reduce child poverty by nearly half, and 70% of child tax credit recipients have said that it helped them better manage higher prices caused by inflation. As we all work to continue efforts to help our communities, especially our ALICE families, this child tax credit provided by HB 1662 is of significant importance.

Unfortunately, the federal child tax credit expired in 2021 and has not been renewed. However, we now have the opportunity to take action to help families across the state during this time of economic uncertainty.

Thank you for this opportunity to testify in support of HB 1662.

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Statement of  
**Meli James**  
Cofounder  
Mana Up

HB 1662, Relating to a Child Tax Credit

Aloha,

I write in support of HB 1662, the purpose of which is to establish a refundable child tax credit for Hawaii's working families. Doing so would fill an important gap. To address child poverty, the American Rescue Plan Act of 2021 increased the *federal* child tax credit from \$2,000 to \$3,600 for qualifying children under the age of six and \$3,000 for other qualifying children under the age of 18. But though these provisions lifted millions of families and their children out of poverty, they expired at the end of 2021. Since then, at least fourteen states have enacted their own child tax credit.

Mana Up is a statewide initiative that helps to provide entrepreneurs in Hawai'i with the resources and tools to grow their local businesses and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to expand the local economy, create local jobs, giveback to the community, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i. We also know that many of these entrepreneurs have young families and – especially as they're getting started – they could use a little bit of extra assistance.

The expanded federal child tax credit succeeded in reducing child poverty provided that extra assistance. The U.S. child poverty rate fell 40% to its lowest level in 2021, according to the U.S. Census Bureau. The temporary credit lifted nearly 3 million children out of poverty and reduced the number of households that reported not having enough food.

With this bill, Hawai'i would follow the lead of many other states and help fill this gap left after the federal tax credit expired, with an innovative, evidence-based program that will lift people out of poverty, while benefiting the broader economy as well. Mana Up is happy to support it.

Sincerely,



Meli James  
Cofounder, Mana Up

**Michael Mohr**  
**493 Portlock Road**  
**Honolulu, Hawaii 96825**

February 21, 2024

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

I write in support of HB 1662 to **establish a refundable child tax credit for Hawaii's working families**. Because expansion of the federal child tax credit ended many states have implemented their own state child tax credits. I hope Hawaii does the same.

As someone who thinks deeply about policy issues and uses metrics to inform my professional practices, I value evidence-based public policies that promise a positive return on investment. The federal government has proved the positive and effective impact of the federal child tax credit. These payments injected nearly \$20 billion into local economies monthly and increased family incomes by \$444 per month for the average family. **The benefits from this program ripple out and compound over time**. The program has the potential to generate lifetime social and economic benefits that exceed its costs **by a factor of eight**, as families utilize their payments to support local businesses.

I support HB 1662 and am grateful for the opportunity to provide testimony.

Mahalo,

-Mike Mohr



TITLE GUARANTY  
HAWAII

February 21, 2024

**Testimony in support of HB 1662, Relating to a Child Tax Credit**

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'aina family since 1896 and we are proud to employ over 300 people who work in our branches all across the state.

We write in support of HB 1662, Relating to a Child Tax Credit. The purpose of HB 1662 is to establish a refundable child tax credit for Hawai'i's working families. This bill is needed because the expansion of the *federal* child tax credit that was included as part of the American Rescue Plan Act of 2021 was allowed to expire by Congress. That is why 14 states have already implemented their own *state* child tax credit, and we support Hawai'i's effort to do the same.

Writing as an employer that uses metrics to guide our own work, it is meaningful to us when we see public policies that are evidence-based and show the likelihood of a good return on investment. Because the federal government now has years of data showing the impact of the federal child tax credit, we know how well it worked; we don't have to guess if the program will be effective. We know that the payments put nearly \$20 billion into local economies each month. We know that the child tax credit raised family incomes by \$444 each month for the typical family. And we know that the program has the potential to pay for itself eight times over in lifetime social and economic benefits, with families using their payments to buy goods and services that benefit small businesses.

And as an employer we think it's important to note that the child tax credit had no negative impact on employment. While some predicted that people who received child tax credit payments would leave the workforce, the data has shown that simply did not happen. U.S. Census Bureau data that tracked the payments over the course of the program showed conclusively that the payments caused *no* drop in employment. Instead, the child tax credit made it easier for more low-income parents to work and gain job skills.

Following the lead of the fourteen other states that have already implemented this program (not to mention the others that are considering it) is a logical step towards helping children, parents, and local businesses in Hawai'i. We support HB 1662 and appreciate the opportunity to testify.

Sincerely,

Mike B. Pietsch  
President and Chief Operating Officer  
Title Guaranty of Hawai'i



Title and Escrow is our business. Hawaii is our home.







**BUILDBETTER.LIVEBETTER.®**

**February 21, 2024**

**Committee:** House Committee on Finance  
**Bill Number:** HB 1662, Relating to a Child Tax Credit  
**Hearing Date and Time:** February 21, 2024, 2:00pm  
**Re:** Testimony of HPM Building Supply in Support

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

I write in support of HB 1662, which establishes a refundable state child tax credit.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawaii and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities one home at a time.

As a State-wide employer with over 600 employees, we strive to provide competitive wages and support our employees. However, raising a family is challenging and additional support may be needed. This bill seeks to provide support to families with a tax credit. This boost can assist with paying for regular expenses such as utilities, childcare, or food. By being able to cover routine costs, families can focus on their work thus benefitting the overall economy.

This bill also aligns with HPM's values of Heart, Character, and Growth. By supporting our communities' families, we invest in our future. We show that we care about the future generations and our current workforce shaping it. Our company's value of Heart is caring for one another as a community.

Thank you for the opportunity to provide testimony in support of HB 1662. I strongly encourage your support and passage of this measure.

Sincerely,

Dennis Lin  
Community Relations Administrator



(808) 966-5466 • FAX (808) 966-7564  
16-166 MELEKAHIWA STREET • KEAAU, HAWAII 96749

HPMHAWAII.COM





Randy Perreira  
President

# HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441  
Fax: (808) 593-2149

The Thirty-Second Legislature  
House of Representatives  
Committee on Finance

Testimony by  
Hawaii State AFL-CIO

February 21, 2024

## TESTIMONY ON HB1662 – RELATING TO A CHILD TAX CREDIT

Chair Yamashita, Vice Chair Kitagawa, and members of the committee:

The Hawaii State AFL-CIO is a federation of 74 affiliate labor organizations who represent over 68,000 union members within the State of Hawaii. The Hawaii State AFL-CIO serves its affiliates by advocating for workers and their families before the state legislature and other branches of state and county government.

The Hawaii State AFL-CIO **supports** HB1662, which seeks to establish a refundable Child Tax Credit (CTC) for families in Hawaii. The proposed state CTC would provide much-needed relief to these families, helping them afford essential expenses such as childcare, education, food, and housing.

We have witnessed the positive impact of similar initiatives at the federal level, where the expansion of the CTC lifted millions of children out of poverty across the country. However, with the expiration of this expansion, many families are once again struggling to make ends meet. This bill presents an opportunity for Hawaii to fill this gap and ensure that our local families receive the support they need to thrive.

By enacting HB1662, you have the chance to make a meaningful difference in the lives of Hawaii's children and families. We urge you to prioritize the well-being of our community and stand on the side of working families by passing this crucial legislation. Together, we can build a more equitable and prosperous future for all residents of our state.

Respectfully submitted,

A handwritten signature in black ink that reads "Randy Perreira".

Randy Perreira  
President



# HAWAII WORKERS CENTER

(503) WORKERS ☎

**LATE** \*Testimony submitted late may not be considered by the Committee for decision making purposes.

Defending and Respecting the workers of  
Hawaii'i

hawaiiworkerscenter@gmail.com ✉  
Mail: 2252 Puna St., Honolulu, HI 96817 ✉  
hawaiiworkerscenter.org 🌐

February 20, 2024

**Executive Board  
Committee**

Rev. Sam Domingo  
*Board Chair*

Mary Ochs  
*Vice Chair*

Dr. Arcelita Imasa  
*Secretary*

John Witeck  
*Treasurer*

**Board Members**

Yoko Liriano

Nanea Lo

Innocenta  
Sound-Kikku

Ray Catania

Justin Jansen

Leyton Torda

**Executive Director**

Sergio Alcubilla III, Esq.

Hawaii'i State House of Representatives

Committee on Finance

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

**RE: STRONG SUPPORT for H.B. 1662 RELATING TO A CHILD TAX CREDIT**

Dear Chair Rep. Yamashita, Vice-Chair Rep. Kitagawa, and Members of the Committee on  
Consumer on Finance:

The Hawaii'i Workers Center (HWC) envisions a Hawaii'i in which all workers are empowered to  
exercise their right to organize for their social, economic and political well-being.

It is a resource of information, education, training and organizing for Hawaii's workers.

The HWC stands in strong support of H.B. 1662 which establishes a refundable child tax credit  
starting in 2025.

The refundable child tax credit will put money back in the hands of our hardworking families to be  
able to pay for childcare, housing, education, food and so many other expenses that make living in  
Hawaii'i so challenging for our families. Families are simply leaving the state. Since 2020, we have  
had a population loss of 36,789 people leaving the state due to the high cost of living.

The cost to the state is staggering: \$185 million in lost personal income and GET revenue and \$61.8  
million annually in lost tax revenue. For so many working families, the math no longer makes sense  
to stay here in Hawaii'i. This child tax credit seeks to reverse this trend as it impacts nearly 60% of  
all children living in Hawaii'i. Most important, it gives our most struggling families a fighting  
chance to make it here.

We ask that you please pass and support H.B. 1662.

Sincerely,

Sergio Alcubilla  
Executive Director



*Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: House Committee on Finance  
Re: **HB 1662 – Relating to a Child Tax Credit**  
Hawai'i State Capitol & Via Videoconference  
February 21, 2024, 2:00 PM

Dear Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 1662**. This bill establishes a refundable child tax credit, beginning after 12/31/2024.

Nearly half of children in Hawai'i live in households experiencing financial hardship. While almost 1 in 8 are in poverty, an additional 1 in 3 aren't officially poor but still don't earn enough to afford the basic life essentials.<sup>1</sup>

While there are a number of social services to support struggling families in poverty, working class families above poverty who can't afford the basics often don't qualify for public benefits. As a result, many working-age families are moving out of state.

In addition, it is well established that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.<sup>2</sup>

That's where tax credits come in. They help people keep more of their hard-earned money, and when targeted for lower- to middle-income families, help reduce financial hardship.

There's a lot of evidence that ensuring families have enough to cover their basics is good for their kids, their communities and the economy as a whole. The evidence shows that this investment helps kids from before they're even born through their adult lives. It improves their physical and mental health by freeing up money for families to spend on healthcare and healthy food. It improves education results, which has economic benefits down the road.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo  
Director of Research and Economic Policy

<sup>1</sup> <https://www.auw.org/sites/default/files/pictures/ALICE-in-Focus-Children-Hawaii%20%283%29.pdf>

<sup>2</sup> <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Wednesday, February 21, 2024, at 2PM  
Conference Room 308**

**RE: HB1662 Relating to a Child Tax Credit**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports HB1662**, which establishes a refundable child tax credit to apply to taxable years beginning after 12/31/2024.

The Chamber supports legislation that is in favor of reducing the burden on Hawaii's working families. This measure seeks to strengthen tax fairness for working families by establishing a refundable State child tax credit. In effort to maintain a robust child tax credit, we support this initiative to support the state in taking on the responsibility of enacting policies that assist working families with children in meeting their basic needs.

Since the time of the expanded federal child tax credit in 2021, at least fourteen states have enacted their own child tax credit due to its success. Hawai'i is in a good position to follow the lead of many other states and help fill this gap with an innovative, evidence-based program that will lift people out of poverty, while benefiting the broader economy as well. The expanded federal child tax credit succeeded in lifting millions of families and their children out of poverty but expired at the end of 2021. According to the U.S. Census Bureau, The U.S. child poverty rate fell 40% to its lowest level in 2021. The temporary credit lifted nearly 3 million children out of poverty and reduced the number of households that reported not having enough food. For these reasons, we hope the committee considers this The Chamber's support for this measure.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.

**HB-1662**

Submitted on: 2/19/2024 10:31:44 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Witeck	Individual	Support	Written Testimony Only

Comments:

Investing in the well-being of Hawai'i's keiki is essential to the creation of a sustainable future. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty. Yet, Congress failed to reauthorize the credit's expansion. Due to this failure,, states must enact policies that assist working families with children in meeting their basic needs.

At least twelve other jurisdictions have implemented a state child tax credit.

Please pass this bill to provide the financial security that our local families need to thrive in the islands. This would go a long ways in aiding Hawaii's working families to overcome the effects of high inflation and an already high cost of living. Mahalo

**HB-1662**

Submitted on: 2/19/2024 10:39:29 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dawn Morais Webster Ph.D.	Individual	Support	Written Testimony Only

Comments:

What Congress has failed to do nationally, Hawaii can rectify locally. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty. Yet, Congress failed to reauthorize the credit's expansion. Hawaii must enact policies that assist our working families with children in meeting their basic needs. At least twelve other jurisdictions have implemented a state child tax credit. Please pass this bill to provide the financial security that local 'ohana need to thrive in this expensive state. Let's live our values and demonstrate through public policy that lawmakers here will not just sette for rhetoric about helping fanilies: they will act by passing this bill. Mahalo nui.

**HB-1662**

Submitted on: 2/19/2024 10:54:31 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jessie L Gonsalves	Individual	Support	Written Testimony Only

Comments:

I fully support the Keiki Credit bill! It is needed!



**HB-1662**

Submitted on: 2/19/2024 11:02:52 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Deb Nehmad	Individual	Support	Written Testimony Only

Comments:

Dear Committee Members,

Investing in the well-being of Hawai‘i’s children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai‘i should become the 15th. Please pass this bill to provide the financial security that local ‘ohana need to thrive on our shores.

Please please please support this critical bill.

mahalo,

Deb Nehmad

**HB-1662**

Submitted on: 2/19/2024 11:43:51 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

Investing in the well-being of Hawai‘i’s children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai‘i should become the 15th. Please pass this bill to provide the financial security that local ‘ohana need to thrive on our shores.

**HB-1662**

Submitted on: 2/19/2024 12:26:26 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Greg and Pat Farstrup	Individual	Support	Written Testimony Only

Comments:

Please vote in support of this measure.

Kū i ka pono!

**HB-1662**

Submitted on: 2/19/2024 12:43:43 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Christy MacPherson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the House Committee on Finance,

I am in **STRONG SUPPORT** of HB1662. The Child Tax Credit (or, Keiki Credit) is a necessity for our local ohana who are struggling more than ever to pay for their rent, food, electricity, car insurance, gas, bus passes, toiletries, school supplies, and everything else that they need. These are things that some of us take for granted but with our current economy, it's really a miracle that our 'ohana can survive here at all.

This refundable credit would put money directly into their hands and has been proven to reduce child poverty during the pandemic. The focus right now is on supporting the people of Lahaina, and this credit would certainly help *many* of their 'ohana as well as others across our state.

Mahalo for your consideration.

**HB-1662**

Submitted on: 2/19/2024 1:20:32 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Angela Melody Young	CARES	Support	Remotely Via Zoom

Comments:

CARES testifies in strong support.

**HB-1662**

Submitted on: 2/19/2024 1:39:42 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Randolph Moore	Individual	Support	Written Testimony Only

Comments:

This bill will increase the well-being of children in lower-income families, something that is good for the children and for all of us.

**HB-1662**

Submitted on: 2/19/2024 2:11:33 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

SUPPORT

**HB-1662**

Submitted on: 2/19/2024 2:13:47 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Anne Leake	Individual	Support	Written Testimony Only

Comments:

Aloha mai. My name is Anne Leake and I reside in Kaneohe. Investing in the well-being of Hawai'i's children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai'i should become the 15th. Please pass this bill to provide the financial security that local 'ohana need to thrive on our shores. Mahalo.



**HB-1662**

Submitted on: 2/19/2024 2:26:06 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

Strong support!

**HB-1662**

Submitted on: 2/19/2024 3:42:10 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Rev. Samuel L Domingo	Individual	Support	Written Testimony Only

Comments:

Investing in the well-being of Hawai'i's children is essential to the creation of a prosperous and sustainable future. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty. Yet, Congress failed to reauthorize the credit's expansion. In the face of federal inaction, states must enact policies that assist working families with children in meeting their basic needs. At least twelve other jurisdictions have implemented a state child tax credit. Please pass this bill to provide the financial security that local 'ohana need to thrive on our shores.

**HB-1662**

Submitted on: 2/19/2024 6:38:15 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Julianna Davis	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Julianna Davis and I stand in strong support of enacting the child tax credit in Hawaii. This policy could help lift thousands of local children out of poverty.

Please pass HB1662 to provide this necessary aid to Hawaii's working families.

Mahalo for your consideration,

Julianna Davis

**HB-1662**

Submitted on: 2/19/2024 8:00:40 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kathy Shimata	Individual	Support	Written Testimony Only

Comments:

Aloha Representatives,

Investing in the well-being of Hawai‘i’s children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with children.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai‘i should become the 15th. Please pass this bill to provide the financial security that local ‘ohana need to thrive on our shores.

Mahalo,

K. Shimata

96822

**HB-1662**

Submitted on: 2/20/2024 1:31:11 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Daniel R Freund	Individual	Support	Written Testimony Only

Comments:

Children don't vote. And they don't donate to candidates. But, as someone once said, they are our future. Let's invest in that future.

- Dan Freund, Kapaa

**HB-1662**

Submitted on: 2/20/2024 7:01:29 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Abby Simmons	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and esteemed Members of the Committee,

My name is Abby Simmons and I am testifying in support of HB1662.

Investing in the well-being of Hawai'i's children is essential to the creation of a prosperous and sustainable future. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty. Yet, Congress failed to reauthorize the credit's expansion. In the face of federal inaction, states must enact policies that assist working families with children in meeting their basic needs. At least twelve other jurisdictions have implemented a state child tax credit. Please pass this bill to provide the financial security that local 'ohana need to thrive on our shores.

Mahalo nui loa for your consideration.

Abby Simmons

Hawai'i Island

**HB-1662**

Submitted on: 2/20/2024 8:05:40 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Linda Wakatake	Individual	Support	Written Testimony Only

Comments:

I strongly support HB 1662.

Investing in the well-being of Hawai‘i’s children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai‘i should become the 15th. Please pass this bill to provide the financial security that local ‘ohana need to thrive on our shores.

Mahalo for your consideration,

Linda Wakatake

**HB-1662**

Submitted on: 2/20/2024 8:17:47 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Malia Tsuchiya	Individual	Support	Written Testimony Only

Comments:

**The expanded federal child tax credit succeeded in reducing child poverty. The U.S. child poverty rate fell 40% to its lowest level in 2021, according to the U.S. Census Bureau. The temporary credit lifted nearly 3 million children out of poverty and reduced the number of households that reported not having enough food and was available to almost all middle-and-low income families.**

**This tax credit could be the catalyst that allows our Hawaii families to stay in Hawaii and not live a life of poverty. Please support and Pass HB 1662**



**HB-1662**

Submitted on: 2/20/2024 8:40:21 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Will Caron	Individual	Support	Written Testimony Only

Comments:

Investing in the well-being of Hawai‘i’s children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai‘i should become the 15th. Please pass this bill to provide the financial security that local ‘ohana need to thrive on our shores.

**HB-1662**

Submitted on: 2/20/2024 10:11:17 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Georgia L Hoopes	Individual	Support	Written Testimony Only

Comments:

Aloha Legislators,

I strongly support HB1662

Given Hawai'i's rising cost of living and the corresponding increase in child poverty, lawmakers should seize the opportunity this legislative session to establish a state-level Child Tax Credit (CTC)—or “Keiki Credit”—to provide necessary tax relief for low- to middle-income families with children.

Mahalo,

Georgia Hoopes, Kalaheo

**HB-1662**

Submitted on: 2/20/2024 10:19:26 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Investing in the well-being of Hawai‘i’s children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

Hello,

My name is Nanea Lo. I'm born and raised in the Hawaiian Kingdom. I live in Mō‘ili‘ili. I'm writing in support HB1662.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai‘i should become the 15th. Please pass this bill to provide the financial security that local ‘ohana need to thrive on our shores.

me ke aloha ‘āina,

Nanea Lo, Mō‘ili‘ili, O‘ahu

**HB-1662**

Submitted on: 2/20/2024 10:29:15 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
justin	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rep. Kyle T. Yamashita and members of the committee,

Investing in the well-being of Hawai'i's children is essential to the creation of a prosperous and sustainable future. The American Rescue Plan Act of 2021 increased the federal child tax credit and lifted millions of families and their children out of poverty. Yet, Congress failed to reauthorize the credit's expansion. In the face of federal inaction, states must enact policies that assist working families with children in meeting their basic needs. At least twelve other jurisdictions have implemented a state child tax credit. Please pass this bill to provide the financial security that local 'ohana need to thrive on our shores.

Mahalo, Justin Hughey

**HB-1662**

Submitted on: 2/20/2024 11:42:30 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jack Runburg	Individual	Support	Written Testimony Only

Comments:

I support this bill. The legislature is obligated make it affordable for families to live here.

**HB-1662**

Submitted on: 2/20/2024 11:54:34 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jordan Poomaihealani	Individual	Support	Written Testimony Only

Comments:

Hello, my name is Jordan Poomaihealani and I am a resident of Waianae. I am a single working father and I am in support of HB1662.

If passed, I would be able to use the extra credit to buy my son school clothes and sports equipment when he needs it.

Please pass this bill.

Mahalo,

Jordan Poomaihealani

To: Hawaii State House Committee on Finance  
Hearing Date/Time: Tuesday February 21, 2024, 2:00pm  
Place: Hawaii State Capitol, CR 308 & Videoconference  
Re: Judith Ann Armstrong supports HB1662 relating to a Child Tax Credit

Dear Chair Rep. Kyle T. Yamashita, Vice Chair Rep. Lisa Kitagawa and members of the Committee on Finance

I, Judith Ann Armstrong, support HB1662 Relating a Child Tax Credit

Investing in the well-being of Hawai'i's children is essential to the creation of a prosperous and sustainable future. Since 1997, the federal Child Tax Credit (CTC) has been a lifeline for working families. The American Rescue Plan Act of 2021 expanded the federal CTC, lifting an additional 2.9 million children across the U.S. out of poverty.

However, Congress failed to reauthorize the credit's expansion, and the national child poverty rate more than doubled as a result. This demonstrates how effective the CTC is at cutting childhood poverty, and how critical it is for the livelihoods of working families with kids.

That's important because research shows that children raised in financially stable households have better educational outcomes, improved health, and higher incomes later in life. These benefits are felt across multiple generations, and across all of society.

In the face of continued federal inaction, 14 states have adopted their own CTCs to fill in the gap. Hawai'i should become the 15th. Please pass this bill to provide the financial security that local 'ohana need to thrive on our shores.

A

Thank you for this opportunity to testify in support of HB1662.

Sincerely,

Judith Ann Armstrong

**HB-1662**

Submitted on: 2/20/2024 1:07:45 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lisa Grandinetti	Individual	Support	Written Testimony Only

Comments:

We're all struggling to even survive much less thrive in Hawaii!!! I'm 28 years old from Mililani. I want to have children sometime soon but I'm barely even able to cover my own expenses. We need all the support we can get to raise children here at home.



**HB-1662**

Submitted on: 2/20/2024 1:13:34 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
karen miyashiro	Individual	Support	Written Testimony Only

Comments:

Hawaii is a costly state to raise children. People can use the extra money to help the well-being of their children and family.

**HB-1662**

Submitted on: 2/20/2024 2:06:54 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Maya	Individual	Support	Written Testimony Only

Comments:

oha, my name is Maya and I am in support of HB1662 for the refundable child tax credit. I am a resident of Waianae. Increasing the CTC could potentially be beneficial to our community as it allows for a more sustainable return. Some families would be able to pay off debt and help fix their credit. More locals would be able to purchase land and homes with the extra money for each child and even give them more of a happier demeanor knowing that the politicians listen to our votes and are For the People.

Mahalo

**HB-1662**

Submitted on: 2/20/2024 3:30:43 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Fanchon Keamo-Young	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Fanchon Keamo-Young and I am in support of HB1662/ SB2660 for the refundable child tax credit. I am a resident of Waianae.

**HB-1662**

Submitted on: 2/20/2024 3:47:27 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dani Gella	Individual	Support	Written Testimony Only

Comments:

Aloha! I am support of HB1662/SB2660 for the refundable child tax credit. I am a resident of the Windward side of Oahu. Mahalo for your consideration!

**HB-1662**

Submitted on: 2/20/2024 4:24:35 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gretchen Goo	Individual	Support	Written Testimony Only

Comments:

Affordable housing and child care are the two most important issues facing my family. Please pass this important legislation. Mahalo.

**HB-1662**

Submitted on: 2/20/2024 6:27:05 PM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Corey	Individual	Support	Written Testimony Only

Comments:

My name is Corey Asano. I support HB1662. Hawaii's working people need help from our elected leaders. Raising children in our island home is becoming increasingly unmanageable. A child tax credit would definitely make a difference in people's lives.

**HB-1662**

Submitted on: 2/21/2024 8:48:45 AM

Testimony for FIN on 2/21/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Hi'ilani Haumea	Individual	Support	Written Testimony Only

Comments:

Aloha my name is Hi'ilani Haumea and i am in support of HB1662/ SB2660 for the refundable child tax credit. I am a resident of Wai'anae. With the hopes in the passing of this bill i can forsee it benefiting many families here on the island for many reasons and for myself personally as a working family of 4. This could help with any child expenses and or living expenses that we already strive to manage while coming out short at times. Mahalo for taking this bill into account as well as my testimony and may the outcome be fruitful.