

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I



CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

KENNETH FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

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Testimony in SUPPORT of HB1769 HD1
RELATING TO TAXATION

REP. KYLE T. YAMASHITA, CHAIR
REP. LISA KITAGAWA, VICE CHAIR
COMMITTEE ON FINANCE

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing: Monday, February 26, 2024, 10:00 A.M., Conference Room 308

- 1 **EOA Position:** The Executive Office on Aging (EOA), an attached agency to the Department of
- 2 Health (DOH) **supports** the intent of this measure.
- 3 **Fiscal Implications:** Undetermined.
- 4 **Purpose and Justification:** Establishes a refundable tax credit for nonpaid family
- 5 caregivers. Requires the Department of Taxation to report to the Legislature before the
- 6 convening of each Regular Session.
- 7 The tax credit would support the 154,000 caregivers who provide \$600 billion worth of unpaid
- 8 labor each year—managing medications, preparing meals, helping with bathing, feeding &
- 9 dressing, providing transportation to medical appointments, and handling financial & legal
- 10 matters so that their loved ones can remain living in the community. According to the

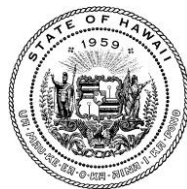
1 Genworth Cost of Care Survey for the State of Hawai'i these services, if paid for equals \$75,005
2 annually per person. If the person is nursing home level of care, that rate is \$163,925 per
3 person for a semi-private room in a skilled nursing facility.

4 **Recommendation:** EOA supports this measure as it is a cost saving, alternative to supporting
5 our caregivers, their loved ones, and the community. We defer to the Department of Taxation
6 for implementation.

7 Thank you for the opportunity to testify.

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. 1769, H.D. 1, Relating to Taxation.

BEFORE THE:

House Committee on Finance

DATE: Monday, February 26, 2024

TIME: 10:00 a.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. 1769, H.D. 1, for your consideration.

H.B. 1769, H.D. 1, amends chapter 235, Hawaii Revised Statutes (HRS), by adding a new section that establishes a refundable tax credit for eligible unpaid family caregivers. The new tax credit is equal to the amount of the taxpayer's qualified expenses, up to a limit of \$5,000 per taxable year. The credit is also limited to one taxpayer per household for a care recipient per taxable year.

To be eligible for the credit, a taxpayer must have a federal adjusted gross income of \$75,000 or less (or \$125,000 if filing jointly) and undertake the care, custody, or physical assistance of their relative who is a "care recipient." Expenses that would qualify for the credit include accessibility improvements and alterations, the purchase or lease of certain medical equipment and supplies, and other expenses incurred to assist the taxpayer in providing care, such as expenses for home care aides, respite care, adult day care, transportation services, and assistive technology such as alerts and reminders. In addition to definitions for "eligible taxpayers," "qualified expenses," "care recipient" and "relative," the bill also includes definitions for "activity of daily living," "instrumental

activities of daily living," and "kupuna care services," to set forth applicable criteria for determining credit applicability.

The bill would also require the Department to provide a report on the number of eligible taxpayers claiming the credit and the credit's cost during the past year no later than twenty days before the start of each annual legislative session. This bill has a defective effective date of July 1, 3000 and upon approval would apply to taxable years beginning after December 31, 2023.

First, the Department recommends that the credit be made nonrefundable, as refundable credits are more susceptible to waste, fraud, and abuse.

Second, the Department appreciates the House Committee on Human Services having identified the Executive Office on Aging (EOA) in its Committee Report as a subject-matter expert willing to assist the Department as this measure progresses. The Department will coordinate with the EOA going forward while maintaining that the Department does not possess subject-matter expertise in healthcare, caregiving, or social services, and requesting that a third party with sufficient subject-matter expertise be placed in charge of certifying whether a person qualifies as a "care recipient" and the amount of "qualified expenses" incurred, so that this credit can be properly administered.

Third, if this measure is passed, the Department requests that the effective date be amended so that the new tax credit would apply to taxable years beginning after December 31, 2024. This would provide the Department with sufficient time to make the necessary form, instruction, and computer system changes while educating taxpayers about this new credit.

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

2024 Hawaii Leadership Board

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Caroline Witherspoon
*President
Becker Communications*

LJ R. Duenas
*Executive Director
Alzheimer's Association*

Testimony to the House Committee on Finance

Monday, February 26, 2024; 10:00 a.m.

Hawaii State Capitol, Conference Room 308, and Videoconference

RE: HOUSE BILL NO. 1769 HOUSE DRAFT 1 – RELATING TO TAXATION

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

I am Ron Shimabuku, Director of Public Policy and Advocacy for the Alzheimer's Association. We testify in **SUPPORT of House Bill No. 1769 House Draft 1.**

The Alzheimer's Association was established to assist those facing Alzheimer's disease and other dementias by providing local support groups and educational resources while advancing crucial research and public policy initiatives.

Alzheimer's disease is a public health crisis across the country. In Hawaii, approximately 29,000 individuals aged 65 and older live with Alzheimer's disease. This figure is projected to increase to over 35,000 by next year. In 2022, 60,000 family caregivers provided 91 million hours of unpaid care valued at \$1.9 billion.

The bill, as received by your Committee, would establish a refundable tax credit for nonpaid family caregivers.

The Alzheimer's Association stands with AARP in its efforts to acknowledge caregivers' critical role to their loved ones and the community. **We ask you to pass House Bill No. 1769 House Draft 1.**

Mahalo for the opportunity to testify. If you have questions, please contact Ron Shimabuku at 808.451.3410 or rkshimabuku@alz.org.



Ron Shimabuku
Director, Public Policy and Advocacy
Alzheimer's Association – Hawaii



**Testimony to the House Committee on Finance
Monday, February 26, 2024; 10:00 a.m.
State Capitol, Conference Room 308
Via Videoconference**

RE: HOUSE BILL NO. 1769, HOUSE DRAFT 1, RELATING TO TAXATION.

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

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 1776, House Draft 1, RELATING TO TAXATION.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would establish a refundable tax credit for nonpaid family caregivers.

This measure would take effect on July 1, 3000.

The following is an excerpt of a letter to the editor submitted by Kealii Lopez, AARP Executive Director, that appeared in the Honolulu Star Advertiser on March 31, 2023:

“. . . Family caregivers in Hawaii work tirelessly without pay to keep parents and spouses at home, or out of costly nursing homes. If you are a family caregiver or know someone who is, then you know it takes an emotional toll, but it also has a real financial cost. They sacrifice income, job security, and their savings.

More than three out of every four caregivers pay out of pocket for care-related expenses like equipment, transportation, and home modifications. It adds up fast. On average, family caregivers spend 26% of their income on caregiving activities. Plus, many family caregivers must cut back their work hours or even leave the workforce to care for loved ones, which can create a huge loss in income on top of any existing financial challenges related to caregiving expenses. It also puts their career advancement and retirement savings at risk.

While family caregivers are facing these personal financial burdens, they are saving our state money by keeping their loved ones out of taxpayer-supported nursing facilities. The economic value of unpaid care provided by family caregivers in the U.S. every year is approximately \$600 billion – about the same as the profits of our 20 largest companies combined. . . “

[See, <https://www.staradvertiser.com/2023/03/31/editorial/island-voices/column-how-do-you-repay-family-caregivers-start-with-a-tax-credit/>]

The HPCA agrees with Ms. Lopez that Hawaii’s family caregivers play an enormous role in protecting and preserving the unique way of life which we all hold so dear. Likewise and more importantly, family caregivers improve the quality of life and health care outcomes of our citizens. Because of this, it is not only fitting, but essential that government does what it can to assist caregivers in this essential responsibility.

Accordingly, the HPCA strongly stands united with AARP and the members of the Kupuna Caucus in support of this measure. We urge your favorable consideration.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME TAX, Establish New Family Caregiver Tax Credit

BILL NUMBER: HB 1769 HD 1

INTRODUCED BY: House Committee on Human Services

EXECUTIVE SUMMARY: Establishes a refundable tax credit for nonpaid family caregivers. Requires the Department of Taxation to report to the Legislature before the convening of each Regular Session.

SYNOPSIS: Adds a new section to chapter 235, HRS, establishing the family caregiver tax credit. The amount of the credit is 100% of the qualified expenses of the taxpayer up to \$5,000, providing that individuals married filing separately shall be limited to \$5,000 between them.

A credit may be claimed for every taxable year or part thereof that the eligible taxpayer provides care to a care recipient during the taxable year; has personally incurred uncompensated expenses directly related to the care of a care recipient; and has not claimed the care recipient as a dependent for the purpose of a tax deduction in the same taxable year. Only one eligible taxpayer per household may claim a tax credit for any care recipient cared for in a taxable year. An eligible taxpayer shall not claim multiple tax credits under this section in a taxable year, regardless of the number of care recipients receiving care from the eligible taxpayer.

The credit is refundable. All claims for the credit, including amended claims, must be filed on or before the end of the 12th month following the close of the taxable year for which the credit may be claimed. Failure to do so waives the credit.

Requires DOTAX to report to the Legislature.

Defines “care recipient” as an individual who: (1) Is either a U.S. citizen or green card holder; (2) Is not covered by any comparable government or private home- and community-based care service, except or excluding kupuna care services; (3) does not reside in a long-term care facility; (4) has impairments of at least two activities of daily living, two instrumental activities of daily living, one activity of daily living and one instrumental activity of daily living, or substantive cognitive impairment requiring substantial supervision. The term includes a person with a “disability” as defined in section 515-2, HRS.

Defines “qualified expenses” as costs that are directly incurred by the eligible taxpayer in providing care to a care recipient, including but not limited to: (1) The improvement or alteration to the eligible taxpayer’s primary residence to permit the care recipient to live in the residence and remain mobile, safe, and independent, including entrance ramps, safety grab bars by toilets, and the conversion of tubs to accessible showers; (2) The purchase or lease of equipment and supplies, including but not limited to durable medical equipment, incontinent undergarments, and portable commodes, necessary to assist a care recipient in carrying out one

or more activities of daily living; and (3) Other paid or incurred expenses by the eligible taxpayer that assists the eligible taxpayer in providing care to a care recipient, such as expenditures related to: (A) Home care aides or chore workers; (B) Respite care; (C) Adult day care or adult day health center services; (D) Personal care attendants; (E) Transportation, including but not limited to para-transit service for non-emergency medical transport; (F) Health care equipment; and (G) Assistive technology, including emergency alert system and voice activated medication dispensers or reminders.

Defines “relative” as a spouse, child, parent, sibling, legal guardian, a reciprocal beneficiary as defined in section 572C-3, a partner as defined in section 572B-1, or any other person who is related to a care recipient by blood, marriage, or adoption, including a person who has a hanai or substantial familial relationship to the care recipient.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: We already have a credit for dependent care expenses necessary for gainful employment (HRS section 235-55.6). One of the challenges for implementing this proposed credit would be to specify the extent (if any) to which expenses will qualify for the existing credit as opposed to the proposed credit. The current bill does not address this issue at all. A policy decision needs to be made as to whether the existing credit will be kept in addition to this one, and if so, the degree of duplication that will be tolerated.

Digested: 2/23/2024



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facebook.com/AARPHawaii

**The State Legislature
House Committee on Finance
Monday, February 26, 2024
Conference Room 308, 10:00 a.m.**

TO: The Honorable Kyle Yamashita, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Support for H.B 1769 HD 1 -Relating to Taxation

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

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports H.B 1769 HD1 which establishes a refundable tax credit for nonpaid family caregivers. This bill supports family caregivers who make less than \$75,000 (individual) and \$125,000 (married couples) a year, with an annual tax credit of up to \$5,000 for qualifying caregiving tax credits.

Family caregivers are struggling to hold up Hawai'i's fractured and outdated long-term care system by helping their older parents, spouses, and other loved ones remain at home—where they want to be. An estimated 154,000 family caregivers in Hawai'i provide \$2.6 billion of unpaid care. These unpaid heroes manage medications, prepare meals, help with bathing, feeding & dressing, providing transportation to medical appointments, and managing financial & legal matters to care for loved ones and keep them out of costly nursing homes. Many juggle work and caregiving. Others must balance child-care, work, and adult dependent care. Not only does caregiving take an emotional toll, but it also has a real financial cost. Many caregivers sacrifice income, job security, and their savings. Most spend 26% of their income on caregiving, an average of more than \$7,200 a year. More than three out of every four family caregivers pay out of pocket for care-related expenses like equipment, transportation, and home modifications. It adds up fast. We can never repay our family caregivers for all they do, but the State can start by giving them a modest tax credit. Family caregivers need and deserve our support.

Thank you very much for the opportunity to testify in **strong support of H.B. 1769. HD1.**



Testimony to the House Committee on Finance
Monday, February 26, 2024
10:00 a. m.
State Capitol Conference Room 308 and via videoconference

Re: HB 1769 HD 1 Relating to Taxation

Dear Chair Yamashita, Vice Chair Kitagawa, and Honorable Members of the House Committee on Finance:

I am Gary Simon, a member of the board of the Hawai'i Family Caregiver Coalition, whose mission is to improve the quality of life of those who give and receive care by increasing community awareness of caregiver issues through continuing advocacy, education, and training. I am testifying as an individual who has worked in healthcare for over thirty-five years, and I am offering testimony on behalf of the Hawai'i Family Caregiver Coalition.

The Hawai'i Family Caregiver Coalition strongly supports HB 1769 HD 1, which establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers.

The bill will provide financial relief for Hawaii's 154,000 unpaid family caregivers. The tax credit will help defray the thousands of dollars that many families spend each year in out-of-pocket caregiver costs.

We urge you to support the refundable tax credit for non-paid family caregivers and HB1769 HD 1, and we urge you to recommend its passage.

Mahalo for seriously considering the bill.

Very sincerely,

A handwritten signature in black ink that reads "Gary Simon".

Gary Simon



Email gsimon@aarp.org

To: House Committee on Finance
Re: **HB 1769 HD1 – Relating to Taxation**
Hawai'i State Capitol & Via Videoconference
February 26, 2024, 10:00 AM

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 1769 HD1**. This bill establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers and requires the Department of Taxation to report to the Legislature before the convening of each Regular Session.

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.¹

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.

Hawai'i has 154,000 unpaid caregivers for adult family members, providing 144 million hours of care worth \$2.6 billion per year,² and those numbers will continue to increase as our population ages.

This bill would provide up to a \$5,000 tax credit for expenses incurred by family caregivers to care for a loved one at home. To qualify, taxpayers could earn up to \$75,000 per year single filers or \$125,000 for married couples.

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

Sincerely,

Deborah Zysman
Executive Director

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

² <https://www.aarp.org/pri/topics/ltss/family-caregiving/valuing-the-invaluable-2015-update/>



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Monday, February 26, 2024 at 10:00AM
Conference Room 308 & Videoconference**

RE: HB1769 HD1 RELATING TO TAXATION

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

The Chamber of Commerce Hawaii ("The Chamber") **supports HB1769 HD1**, which would establish a refundable tax credit for nonpaid family caregivers.

The Chamber not only prioritizes economic leadership but also advocates for "quality of life" issues impacting its members, their employees, and families. Nonpaid family caregivers encounter numerous physical, emotional, and financial obstacles as they juggle caregiving duties with work and personal commitments. On average, these caregivers allocate a substantial portion of their income towards caregiving expenses, covering essentials like equipment, transportation, home modifications and others out-of-pocket. The proposed modest tax credit outlined in this measure aims to alleviate the financial burden faced by unpaid family caregivers, providing relief for the daily expenses they incur while providing essential care.

Moreover, supporting those in the industry of care would help to alleviate the major challenge of our local workforce availability. The scarcity of access to care is a reason for Hawaii's overall workforce shortage. Low wages and a high cost of living make it difficult for childcare facilities to retain and grow the workforce. This measure, if implemented, would help Hawaii's businesses and further their capacity for workforce retention and expansion, helping to create a foundation to build a profound economic benefit to our and investing in the future of our state. Our business community and its workforce cannot increase its capacity without support such as that which would be provided by 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 this opportunity to testify in support of this measure.

HB-1769-HD-1

Submitted on: 2/24/2024 2:25:16 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dan Gardner	Individual	Support	Written Testimony Only

Comments:

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

My name is Dan Gardner and my wife Deborah and I are in STRONG SUPPORT of HB 1769 HD1 to provide a tax credit for unpaid family caregivers. This credit would help offset a portion of the financial burden of the caregiving expenses they incur providing care for their loved one's. As a major portion Hawai'i's long term care system, family caregivers provide countless hours of care such as bathing, making meals, and taking their loved ones to medical appointments and to see friends. Performing these daily tasks enables their family members to stay in their homes and age in place. As well, family caregivers routinely pay for needed day-to-day supplies, medications, and additional in-home assistance. On average, these costs are estimated to be about \$7200 annually. Please support these dedicated family member caregivers by passing H.B. 1769 HD1. They are most certainly worthwhile of this support. Mahalo

Dan Gardner, Honolulu, daniel.dano.gardner@gmail.com

February 26, 2024

TO: Chair Yamashita and Committee Members
FROM: Carl Takamura
RE: HB 1769

My name is Carl Takamura and my sister and I provided care for my mother, especially during the latter years of her life before she passed away at 105. I strongly support this bill that would establish a tax credit for unpaid family caregivers who provide the care needed for a loved one at home.

Family caregivers are a vital and, I believe, an underappreciated component of Hawaii's long term care system. They provide countless hours of care performing daily tasks so that their loved one(s) can continue to live at home and age in place. Many caregivers struggle to provide this care, often at the sacrifice of their own families, personal health, and financial security. This bill would provide some much-needed support for these unsung heroes.

We urge you to approve this important proposal.

Mahalo,

Carl Takamura

Carl Takamura

House Finance Committee
Testimony on House Bill No. 1769, HD1
Relating to Taxation

Aloha Chair Kyle Yamashita, Vice Chair Lisa Kitagawa and Members of the Committee:


My name is Deborah M. Oyakawa, and I was a caregiver for my mother who had dementia. I am in **STRONG SUPPORT** of H.B. 1769. The bill provides a tax credit for unpaid family caregivers that can help ease the financial expenses incurred for their loved one's care.

Due to the stress of being a caregiver, my focus and energy level were taxed and I was not performing well at work. I had to reduce my hours significantly. To supplement my income, I tapped into my retirement plan and eventually drained the funds. I am now in my sixties with no retirement money to help support me.

Family caregivers are the backbone of Hawaii's long term care system. They provide countless hours of care that range from bathing, preparing meals and escorting loved ones for medical visits. They lovingly perform these daily tasks so that their family member can remain in their homes and age in place. In addition, family caregivers often pay out of their own pockets for needed supplies such as incontinent supplies, medications and additional in-home assistance. It is estimated that they spend about \$7,200 annually. Please support these unsung heroes by passing H.B. 1769, HD1.

Mahalo for the opportunity to testify!

Deborah M. Oyakawa
Waikoloa, HI 96738



House Finance Committee
Testimony on House Bill No. 1769, HD1
RELATING TO TAXATION
Monday, Feb 26, 2024 at 10:00 am
Conference Room 308 & Videoconference

Aloha Chair Kyle Yamashita, Vice Chair Lisa Kitagawa, and Members of the Committee,

My name is Lynnette Sakamoto, and I was caregiver to my mother and father for 13 years with an additional 4 years for my father, a total of 17 years of caregiving. My mother had Parkinsons and had had minor strokes, in the end, breaking her hip in a fall. My father was physically challenged with knee problems and eventually broke his hip in a fall. Mom passed at 94 years and Dad at 98 years.

I AM IN STRONG SUPPORT of HB1769, HD1. The bill provides a tax credit for unpaid family caregivers that can help ease the financial expenses incurred for their loved ones' care.

My family was fortunate. Between my monthly retirement and Dad's, we were able to survive the unending expenses that inundate caregivers and their families. It was not easy, but I know from some of my friends and family who are now caregivers that there are those who barely scratch out a living for themselves, who are now struggling to buy diapers, bandages, all the items needed to care for their loved ones, with nothing left to pay for caregivers to relieve them for a few hours a week.

In the end, my father ran out of his savings, and I paid for groceries and other necessities out of my income. There are many caregivers today who are doing the same thing. There are far reaching consequences from that even after our loved ones pass, as it affects the caregiver's later life on many levels. And truthfully, I have not even scratched the surface here. It is estimated caregivers spend approximately \$7200 annually.

Family caregivers are the backbone of Hawaii's long term care system. They provide countless hours of care that range from bathing, preparing meals, and escorting loved ones for medical visits. They lovingly perform these daily tasks so that their family members can remain in their homes and age in place. Please support these unsung heroes by passing H.B. 1769, HD1.

Mahalo for the opportunity to testify!

Lynnette Sakamoto
Kailua, Oahu
kaisakamoto@hawaii.rr.com

HOUSE COMMITTEE ON FINANCE

HEARING

Monday, February 26, 2024, 10:00 am
Conference Room 308 and Videoconference
State Capitol
415 South Beretania Street

**TESTIMONEY ON HOUSE BILL HB 1769, HD1
RELATING TO TAXATION**

To: Rep. Kyle T. Yamashita, Chair; Rep. Lisa Kitagawa, Vice Chair; and Members of the Committee

My name is Anna Filler and I am in strong support of **HB 1761, HD1**. The purpose of this bill establishes a refundable Family Caregiver Tax Credit for non-paid family caregivers. Requires the Department of Taxation to report to the Legislature before the convening of each Regular Session. Effective 7/1/3000. (HD1)

Family caregivers are the backbone of Hawaii's long term care system. They provide countless hours of care that range from bathing, preparing meals and escorting loved ones for medical visits. They lovingly perform these daily tasks so that their family member can remain in their homes and age in place. Many caregivers have to quit or retire from their jobs prematurely to provide the needed care, often sacrificing their own source of income and financial security. Caregivers should not have to choose between their jobs and caring for their family. Please support these unsung heroes by passing **HB 1769, HD1**.

Mahalo for the opportunity to testify. I urge you to support **HB 1761, HD1**.

Anna Filler
Rep. District 25, Ala Moana, Kaka'ako, Downtown



HB-1769-HD-1

Submitted on: 2/24/2024 9:02:07 PM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann H Paulino	Individual	Support	In Person

Comments:

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

My name is Ann Paulino a caregiver for my aunty who has dementia. I am in **STRONG SUPPORT** of HB1769 HD1. The bill provides a tax credit for unpaid family caregivers that can help ease financial burden on caregiving expenses incurred for their loved one's care.

On a weekly basis I spend anywhere from 5-20 hours taking care of the financial needs for my aunt. She has been scammed upwards of \$60,000 in 2022 so with the consent of family members, I intervened to help. I sort her mail, monitor her text messages to stop an enormous amount of scams all promising thousands of dollars in prize money. After securing a POA, I have had to end credit cards, change numerous banking accounts, and make payments on her behalf. I do this as a sense of obligation and to protect her from scammers and thieves. I am grateful that I am retired and able to help.


Other family members and friends are not as fortunate as I am and I write on their behalf. Several cousins retired early to take care of their parents in the comfort of their home. Most of our parents prefer to age in place at home. It was a 24-7 job. They lost income and were saddled with medical bills above and beyond insurance coverage. As a result their own self-care and mental health suffered. In two cases, after the passing of their loved one, it wasn't very long before they too passed away.

Please kokua and acknowledge these family caregivers by passing HB1769, Caregivers have given financially, physically, emotionally and spiritually to support their kupuna, it is time to reciprocate their efforts.

Mahalo for the opportunity to testify.

Ann Paulino

Hilo, Hawaii



HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2024
HOUSE OF REPRESENTATIVES

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

Monday, February 26, 2024, 10:00 a.m.

Aloha, Chair Yamashita, Vice Chair Kitagawa and Members of the Committee on Finance. My name is Carol Wakayama and I wish to submit this testimony in STRONG SUPPORT of HB 1769 HB 1 (“Relating To Taxation”).

There are thousands of individuals trying their very best to provide care to family members. These actions could be providing transportation to their family member; bathing/preparing meals or paying for items/services related to hygiene and other ‘activities of daily living.’ These out-of-pocket costs can be very costly as the caregivers must also be able to live/afford their own lives, while also being a caregiver to a family member.

HB 1769 HB 1 would provide family caregiver tax credits to eligible taxpayers who are providing care to a family member and who have also incurred uncompensated expenses in order to care for family members.

For nearly 35 years before she retired, my mother worked part-time at a very small company. When my mother retired, she had no pension or nor was provided a retirement package.

In my mother’s final years, my sister and I cared for her. The only reason my sister and I were able to financially provide our mother with a comfortable, but, simple life was because - our mother was a widow of a Federal employee. Our father left our mother with his Federal retirement/medical package. But, for ‘incidentals,’ my sister and I also used our own savings (and monies received from our father) to pay for our mother’s ‘non-medical insurance covered’ items. We were somehow able to afford our mother’s care, but, ‘life is so much more expensive now.’

For the reasons mentioned above, I humbly request your support of HB 1769 HB 1. Thank you for this opportunity to provide my testimony.

Carol Wakayama
Honolulu, HI

Kevin L. Johnson, Ko Olina, Hawai'i

**Hawai'i Legislature
House Committee on Finance
Thursday, February 26, 2024, Conference Room 308, 10:00 a.m.**

TO: The Honorable Kyle T. Yamashita, Chair
RE: Support for HB 1769 HD 1, Relating to Taxation

I would like to take this opportunity to express my **strong support of HB1769 HD 1, Relating to Taxation**, particularly as it addresses a **tax credit for family caregivers**.

I recently had the experience of caring for my spouse for several weeks after surgery. While I am retired, still able to do the physical work required and have the financial means for this short stint, it truly opened my eyes to the challenges encountered for those caring for a family member on a long-term or permanent basis. Balancing household activities, work and the expense of necessary medical equipment is both mentally and physically taxing to these individuals.

While these hundreds of thousands of Hawaii citizens are providing millions of hours of this service out of love, they are not being reimbursed for their estimated \$2.5 million dollar expenses which might otherwise fall on the State. The small tax credit outlined in this legislation is both well deserved by these individuals and **an investment in healthcare** with a huge return to the State.

Please **support HB1769 HD 1**.

Sincerely,

Kevin L. Johnson

**HOUSE COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair**

HEARING: Monday, February 26, 2024, 10:00 a.m

Re HB1769 HD1 RELATING TO TAXATION.

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

My name is Linda Dorset, a resident of Maui County, and I am in STRONG SUPPORT of HB 1769 HD1. The bill provides a tax credit for unpaid family caregivers that can help ease some financial burden on caregiving expenses incurred for the care of a loved one.

Family caregivers are the backbone of Hawaii's long term care system. They provide countless hours of care that range from bathing, preparing meals and escorting loved ones for medical visits. They lovingly perform these daily tasks so that the family member can remain in the home and age in place; but they sacrifice income, job security, and savings. Family caregivers often pay as much as \$7,200/Year out of their own pockets for needed supplies such as incontinent supplies, medications, and additional in-home assistance. It is estimated that there are 154,000 Caregivers giving 144 Million Care Hours/Year which amounts to \$2.6 Billion of Unpaid Labor/Year. Many must also balance work and caregiving or leave the workforce altogether.

Please support these unsung heroes by passing HB1769 HD1. They deserve this help. We know eventually all of us will be there.

Mahalo for the opportunity to testify!

Linda Dorset

Wailuku, Maui

HB-1769-HD-1

Submitted on: 2/25/2024 9:16:43 AM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathy Guaderrama	Individual	Support	Written Testimony Only

Comments:

My name is Kathy Guaderrama and I am a full-time caregiver for my husband, Jose L. Guaderrama. My husband is a Vietnam Vet and suffers from Dementia. We reside in Upcountry Maui and have done so for over 30 years.

We are both retired and have a limited income. Being his caregiver is a 24/7 job for me. It has been difficult for me to take care of him on a daily basis with our limited income. Although he has Veterans benefits, we don't necessarily qualify for everything available .I am his sole caregiver and it is very stressful. We have access to Meals-on Wheels and we appreciate the service. Council of Aging provides a person to come by once a month to help with cleaning of the house but unfortunately due to their shortage of workers, we are currently on a waiting list. I could go on, but I wanted to make it brief. Any assistance by way of a Family Caregiver Tax Credit would be appreciated! Growing old should be enjoyed, not looked down as a time of grief and sorrow.

Mahalo for your time,

Kathy Guaderrama

HB-1769-HD-1

Submitted on: 2/25/2024 9:37:18 AM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathryn Shawhan	Individual	Support	Written Testimony Only

Comments:

I am writing to share my caregiving story in support of bill HB1769 to provide financial/tax deduction support for caregiver households of medically compromised.

My husband started dialysis about 5 years ago. We are/were both health professionals but that didn't prepare us for what laid ahead.

I have gradually over the past 5 years had to decrease my work from full time to just leaving my part time position (8 hours week) at the end of this month.

My husband is still ambulatory, he uses a cane and has limited endurance. However, it seems every week a new care task to take on is added to my list - whether it's shopping for house, all of the indoor and outdoor chores, sorting all the medical bills, creating a more accessible home, tracking and transporting to medical appointments, preparing diet targeted meals... The list goes on. Other than setting him up for self care, I haven't even started the caregiving task of helping him directly in his daily self care tasks such as showering, dressing, etc. I cannot imagine what that will be like.

The biggest burden so far, is the inability to get transportation for him to and from dialysis. Although eligible, Handivan deemed our paved driveway as inaccessible to their vehicle. I understand they are working on a fleet of SUV's since other people have this issue. Yet meanwhile we have to stay on dialysis schedule. And given the demand and delay of this service- and my husband's history of passing out after dialysis (EMTs at house 3 times)- we may try to keep our own transport. Three days a week for a 5 hour treatment time. It is also not wise to leave him at home for extensive period given his fluctuating health status. This has forced me to quit most work- very few employers will work around this. At times, when I was not available in the past, he has used UBER- but it is expensive and it requires alertness from him while in transit.

My own self care has suffered in all this- But I don't have the choice of indulging in addressing all this given the demands of supporting someone in dialysis.

We are classic ALICE income level- minus the employment aspect. So we are basically NOT eligible for most types of assist including paying for internet access, assist for electrical /other utilities, finances for OTC medical supplies, SNAP or even most nutrition programs.

If I have to take a trip for some reason, we will have to ask the few family members available to cover. They lose their benefits and pay in the process. So these trips rarely happen.

I truly hope the legislators look at this cascading domino impact of these kind of situations. In the long run, without providing support, the costs are higher at the federal and state level with "hidden" consequences-not only for the identified "patient"- but for all those involved.

Expanded assist with reimbursement for medical transportation, over the counter medical supplies, utility bill assist and access to discount nutritional program would greatly impact so many lives- particularly those who ride the middle income struggle here. These measures could

also potentially stave off the government future costs of drastically increased medical care and financial dependency for all those involved. We need to stop looking at these challenges through one person's needs. We all know this. Hawaii has the value and culture of standing up and caring for our loved ones. Let's not leave holes in that safety net for our families.

Mahalo for allowing me to share this experience. May wise decisions be made on the behalf of struggling Hawaii families.

Sincerely,
Kathryn Shawhan



HB-1769-HD-1

Submitted on: 2/25/2024 9:55:07 AM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

The Family Caregiver Tax Credit is one of the most effective ways we can induce cost-effective care for kupuna and disabled persons who need personal caregiving to survive. Families can provide residential, personal care in a home setting, without all the additional expenses and hardship of out-placement for medical care. I support this tax credit as a way to better meet our community's needs for care.

Thank you for consideration of my testimony

Ellen Godbey Carson, Honolulu, Hawaii

HB-1769-HD-1

Submitted on: 2/25/2024 10:38:11 AM

Testimony for FIN on 2/26/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan L Baylosis	Individual	Support	Remotely Via Zoom

Comments:

My Name is Susan Baylosis and in strong support of H.B.1769 which establishes a refundable tax credit for non paid caregivers. I am the sole family caregiver for both parents who are in their 80's. I have been caring for for my parents these past four years and can personally attest that this proposed tax credit would be greatly appreciated. Due to their medical issues, both parents depend on me for their daily care ranging from bathing, dressing, preparing meals as well as driving them to their medical appointments.

I'm having to use my own money that I was saving for my retirement to help pay for the extra help and other health and personal care supplies that they may need. Unfortunately, these expenses can add up quickly. I was forced to quit my job to take care of my parents full time. Hiring professional caregivers which starts at \$35.00/an hour (8 hour minimum a day) at 3 days a week is very expensive. Even if I worked, I would not be able to make enough for the care required 24-7. I have given up everything to care for my parents which I gladly do as their child. However, having a tax credit would be helpful to me and many other family caregivers who are caring for their loved ones at home.

Thank you for this opportunity to testify in support of HB1769

Mahalo

Susan Baylosis,

Makawao, Maui