

STAND. COM. REP. NO.

1020

Honolulu, Hawaii

FEB 28 , 2025

RE: H.B. No. 701
H.D. 3

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 701, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a tax credit for nonpaid family caregivers.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board; Policy Advisory Board for Elder Affairs; AARP Hawai'i; The Institute for Human Services, Inc.; Hawai'i Children's Action Network Speaks!; Alzheimer's Association; and seven individuals. Your Committee received comments on this measure from Department of Taxation; Executive Office on Aging; and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Making the amount of the tax credit equal to a percentage of a taxpayer's qualified expenses;
- (2) Changing the tax credit cap per taxpayer to an unspecified amount;



- (3) Specifying a sunset date of five years for any excess nonrefundable credits to be carried forward as a credit against tax liability; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 701, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 701, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



KYLE T. YAMASHITA, Chair



