

STAND. COM. REP. NO.

3333

Honolulu, Hawaii

FEB 11 , 2025

RE: H.B. No. 701  
H.D. 2

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

Madame:

Your Committee on Economic Development & Technology, to which was referred H.B. No. 701, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a refundable Family Caregiver Tax Credit for nonpaid family caregivers.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board; AARP Hawai'i; Alzheimer's Association, Hawaii Chapter; Hawai'i Family Caregiver Coalition; Hawaii Self-Advocacy Advisory Council; Hawaii Primary Care Association; Hawai'i Children's Action Network Speaks!; Aloha United Way and the ALICE Initiative; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that a 2023 report from the AARP found that 154,000 Hawaii residents provide unpaid caregiving services for a loved one. Your Committee further finds that unpaid family caregivers face many physical, emotional, and financial challenges and often balance caregiving with work and other responsibilities. This measure helps provide support to these caregivers by establishing a Family Caregiver Tax Credit for nonpaid family caregivers.

2025-1475 HB701 HD2 HSCR HMSO



Your Committee has amended this measure by:

- (1) Making the Family Caregiver Tax Credit non-refundable;
- (2) Requiring the Director of Taxation to prepare forms, ascertain the validity of claims, and adopt rules in consultation with the Executive Office on Aging;
- (3) Requiring the Executive Office on Aging to certify claims for tax credits;
- (4) Adding an appropriation of an unspecified sum for the Executive Office on Aging to certify claims for tax credits;
- (5) Changing the taxable years for which the Family Caregiver Tax Credit applies to taxable years beginning after December 31, 2025;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$750,000 for the Executive Office on Aging to certify claims for tax credits.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 701, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 701, H.D. 2.



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

  
GREGOR LAGAN, Chair

