

STAND. COM. REP. NO.

164

Honolulu, Hawaii

FEB 08 , 2023

RE: H.B. No. 493

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 493 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to amend the income brackets and credit amounts of the refundable food/excise tax credit.

Your Committee received testimony in support of this measure from Hawaii Children's Action Network Speaks!, Hawai'i Health & Harm Reduction Center, and three individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii has the highest cost of living in the nation, with one of the main contributing factors being the high cost of food in the State. Your Committee further finds that Hawaii places one of the highest tax burdens on low-income households in the nation. Families in Hawaii who earn less than \$20,000 per year pay roughly fifteen percent of their income to state and local taxes. In comparison, those who make over \$450,000 pay only about nine percent. This measure would create a more equal tax system and provide some financial relief to those who need it the most by allowing more families to qualify for the refundable food/excise tax credit.

2023-1245 HB493 HD1 HSCR HMSO



Your Committee has amended this measure by changing its effective date to June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 493, H.D. 1, and be referred to your Committee on Finance.

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



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DANIEL HOLT, Chair



