

STAND. COM. REP. NO.

334

Honolulu, Hawaii

FEB 11, 2025

RE: H.B. No. 753

H.D. 1

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. 753, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOUSEHOLD AND DEPENDENT
CARE SERVICES TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase a taxpayer's applicable percentage of
employment-related expenses that is used to calculate
the Household and Dependent Care Services Tax Credit;
and
- (2) Align the sunset dates for the temporary increase in
applicable percentage proposed by this measure and the
temporary increase in maximum employment-related
expenses enacted by Act 163, Session Laws of Hawaii
2023, both of which are used to calculate the Household
and Dependent Care Services Tax Credit, by extending the
sunset date of the temporary increase in maximum
employment-related expenses under Act 163, Session Laws
of Hawaii 2023.

Your Committee received testimony in support of this measure
from AARP Hawai'i; the Hawai'i Family Caregiver Coalition;

2025-1598 HB753 HD1 HSCR HMSO




Indivisible Hawai'i; Early Childhood Action Strategy; AAUW of Hawaii; Education Caucus of the Democratic Party of Hawai'i; Catholic Charities Hawai'i; Hawai'i Children's Action Network Speaks!; Puakalehua Early Learning Consortium; Save Medicaid Hawaii; Hawai'i Health & Harm Reduction Center; Aloha United Way and the ALICE Initiative; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and one individual.

Your Committee finds that child care costs in the State are rising, with the average cost of full-time child care in Hawaii currently exceeding \$13,000 a year. The Household and Dependent Care Services Tax Credit offers some financial relief from child care costs through a tax credit calculated by taking the applicable percentage, based on annual gross income, of employment-related expenses incurred. The Legislature attempted to strengthen the Household and Dependent Care Services Tax Credit with the enactment of Act 163, Session Laws of Hawaii 2023 (Act 163), which temporarily raises the amount of employment-related expenses that may be taken into account for the purposes of the credit. However, Act 163 did not also increase the applicable percentage portion of the calculation of the tax credit, resulting in significantly less relief. This measure addresses the shortcomings of Act 163 by temporarily increasing the applicable percentage and making the temporary increases to the applicable percentage and employment-related expenses coincide.

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. 753, H.D. 1, and recommends that it be referred to your Committee on Finance.



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



GREGGOR ILAGAN, Chair



State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCA 334

Record of Votes of the Committee on Economic Development & Technology

Bill/Resolution No.: HB 753 HD1		Committee Referral: HSH, ECD, FIN		Date: 2/5/05	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
ECD Members	Ayes	Ayes (WR)	Nays	Excused	
1. ILAGAN, Greggor (C)	/				
2. HUSSEY, Ikaika (VC)	/				
3. HOLT, Daniel	/				
4. TAM, Adrian K.	/				
5. TEMPLO, Shirley Ann	/				
6. TODD, Chris	/				
7. MATSUMOTO, Lauren	/				
TOTAL (7)	7	—	—	—	
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					