

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

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

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 701, Relating to Taxation

BEFORE THE:

House Committee on Human Services & Homelessness

DATE: Tuesday, January 28, 2025

TIME: 9:00 a.m.

LOCATION: State Capitol, Room 329

Chair Marten, Vice-Chair Olds, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding H.B. 701 for your consideration.

H.B. 701 adds a new section to chapter 235, Hawaii Revised Statutes, establishing 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 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." To set forth applicable criteria for determining credit applicability, the bill defines "care recipient," "eligible taxpayers," "qualified expenses," "relative," "activity of daily living," "instrumental activities of daily living," and "kupuna care services."

Expenses that 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.

The bill will require the Department to report no later than twenty days before the start of each annual legislative session on the number of eligible taxpayers claiming the credit and the credit's cost during the past year.

This bill is effective upon approval would apply to taxable years beginning after December 31, 2024.

The Department notes that making the credit nonrefundable is preferable, as refundable credits are more susceptible to waste, fraud, and abuse. Additionally, as currently drafted, the bill may allow persons without any tax liability in the State, or any connection to the State, to claim the tax credit and obtain a refund. Amending the bill to make the credit nonrefundable would preclude refunds in those instances.

The Department also suggests making the amount of the credit equal to a percentage of the taxpayer's expenses to discourage waste.

The Department requests 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. The Department does not have the subject matter expertise to assess whether a person has impairments of activities of daily living, instrumental activities of daily living, or substantive cognitive impairment.

Finally, the Department requests that the effective date be amended so the new tax credit applies to taxable years beginning after December 31, 2025. This will 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.

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

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

CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

Telephone
(808) 586-0100

Fax
(808) 586-0185

**Testimony in SUPPORT of HB701
RELATING TO TAXATION**

COMMITTEE ON HUMAN SERVICES AND HOMELESSNESS
REP. LISA MARTEN, CHAIR
REP. IKAIKA OLDS, VICE CHAIR

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

Hearing: Tuesday, January 28, 2025, 9:00 A.M., Conference Room 329

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:** This measure establishes a refundable tax credit for nonpaid family
5 caregivers and requires the Department of Taxation to report to the Legislature the total
6 number of tax credits and the total cost of the tax credits.

7 According to a AARP report there are 154,000 residents in Hawai'i who provide
8 144,000, 000 hours, estimated at a value of \$2,600,000,000, of unpaid caregiving to their loved
9 one. On average, caregivers spend about 26% of their income on caregiving activities.

10 Caregiving can include managing medications, preparing meals, bathing and toileting, feeding &

1 dressing, providing transportation to medical appointments, and handling financial & legal
2 matters. These unpaid caregiving services enable their loved ones to remain in their home and
3 community and avoid premature institutionalization.

4 Unpaid caregiving also has potential cost savings on formal long-term care services and
5 supports. According to the 2023 Genworth Cost of Care Survey for the State of Hawai'i, these
6 services equate to \$86,944 annually per person. If the person is nursing home level of care, that
7 rate is \$146,000 per person for a semi-private room in a skilled nursing facility.

8 Despite the immense value they bring to society, unpaid caregivers rarely receive
9 financial compensation, recognition, or sufficient support. States must recognize the important
10 contribution that unpaid caregivers provide and consider strategies that can help to alleviate
11 some of the financial burdens they face in caregiving.

12 **Recommendation:** EOA supports this measure that can provide some financial relief to our
13 caregivers and their loved ones. We defer to the Department of Taxation for implementation.
14 Thank you for the opportunity to testify.

HB-701

Submitted on: 1/26/2025 4:10:03 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Merle Minami-Shima	AARP Hawaii	Support	Written Testimony Only

Comments:

Chair Marten and Members of the Committee:

My name is Merle Minami-Shima and my mother was a caregiver for my father. I am in STRONG SUPPORT of HB701 which provides a tax credit for family caregivers.

Several years ago, my father became disabled due to a stroke. Fortunately, my mother was retired so she became his full-time caregiver. During this time, I observed the stress and toll caregiving responsibilities took on my mother's health which deteriorated due to caring for my father day and night. Sadly, my mother never fully regained her health for the remainder of her life. Had there been a caregiver tax credit at the time, my mother could have hired a personal attendant to assist her a few hours each week. Additionally, tax credits would have helped with expenses like construction of a home ramp.

With more boomers aging each day, caregiving responsibilities will affect more families. With that, we need to provide as much relief as we can to caregivers who sacrifice so much to care for their loved ones.

Mahalo for your consideration.



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830
1-866-295-7282 | Fax: 808-536-2882
aarp.org/hi | aarphi@aarp.org | twitter.com/AARPHawaii
facebook.com/AARPHawaii

The State Legislature
House Committee on Human Services and Homelessness
Tuesday, January 28, 2025
Conference Room 329, 9:00 a.m.

TO: The Honorable Lisa Marten, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Strong Support for H.B 701 -Relating to Taxation

Aloha Chair Marten, 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 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP strongly supports H.B. 701 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 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.¹ These unpaid heroes manage medications, prepare meals, help with bathing, feeding and dressing, providing transportation to medical appointments, and managing financial and 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.¹ 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.

In a 2024 AARP poll among Hawaii registered voters aged 40 and above, 45% identified as current or former family caregivers. Notably, 90% of these caregivers incur costs to care for a loved one and expressed support for a state income tax credit to alleviate their financial

burden.² While we can never fully repay our family caregivers for all they do, the State can begin by offering them a modest tax credit. These caregivers need and deserve our support.

Thank you very much for the opportunity to testify in **strong support of H.B. 701**.

1. Source: AARP Family Caregivers Need Support Fact Sheet

2. Source: 2024 AARP Survey of 1,002 Hawai'i Voters Aged 40-Plus



Testimony to the House Committee on Human Services and Homelessness
Tuesday, January 28, 2025
9:00 a. m.
State Capitol Conference Room 329 and via videoconference

Re: HB 701 Relating to Taxation

Dear Chair Marten, Vice Chair Olds, and Honorable Members of the House Committee on Human Services and Homelessness:

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 701, 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 families spend each year in out-of-pocket caregiver costs.

We urge you to support the family caregiver tax credit for non-paid family caregivers and HB 701, 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 garysimon@hawaii.rr.com



TESTIMONY IN SUPPORT OF HB701, RELATING TO TAXATION

HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS JANUARY 28, 2025

Aloha Chair Marten, Vice Chair Olds, and Members of the Human Services & Homelessness Committee:

The Democratic Party of Hawai'i **SUPPORTS** HB701, RELATING TO TAXATION. Pursuant to the Platform of the Democratic Party of Hawai'i, the Party endorses policies that make it more accessible for caregivers to provide the quality care that our kūpuna deserve.

This bill will reduce the financial difficulties of a large number of individuals who have chosen to take care of loved ones, all the while managing competing priorities or even through putting their personal lives on hold. This bill, through implementing a tax credit for unpaid caregivers, will offset the out of pocket costs associated with essentials needed to care for our kūpuna and loved ones. This will alleviate the burdens and stressors placed on caregivers, allowing them to have more time and energy to be there for their loved ones.

Mahalo nui loa for the opportunity to testify in support of HB701, RELATING TO TAXATION. Should you have any questions or require further information, please contact the Democratic Party of Hawai'i at legislation@hawaiidemocrats.org.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

LATE

SUBJECT: INCOME TAX; Family Caregiver Tax Credit

BILL NUMBER: HB 701

INTRODUCED BY: CHUN, AMATO, BELATTI, COCHRAN, EVSLIN, GARRETT, GRANDINETTI, HASHEM, HOLT, ICHIYAMA, ILAGAN, IWAMOTO, KAHALOA, KAPELA, KEOHOKAPU-LEE LOY, KILA, LA CHICA, LAMOSAO, LOWEN, MARTEN, MATAYOSHI, MIYAKE, MORIKAWA, PERRUSO, REYES ODA, SHIMIZU, SOUZA, TAKAYAMA, TAKENOUCI, TAM (Kupuna Caucus)

EXECUTIVE SUMMARY: Establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers.

SYNOPSIS: Adds a new section to chapter 235, HRS, to establish a refundable family caregiver tax credit equal to 100% of “qualified expenses” of the taxpayer, up to a maximum of \$5,000 in any taxable year.

An eligible taxpayer may claim the tax credit for every taxable year or part thereof that the eligible taxpayer:

- 1) Provides care to a care recipient during the taxable year,
- 2) Has personally incurred uncompensated expenses directly related to the care of the care recipient, and
- 3) Has not claimed the care recipient as a dependent for the purpose of a tax deduction in the same taxable year.

Only one tax credit shall be claimed in any one taxable year, regardless of the number of care recipients receiving care from the eligible taxpayer.

Requires the director of taxation to prepare any forms necessary to claim a credit, may require a taxpayer to furnish reasonable information to validate a claim for the credit, and adopt rules pursuant to HRS chapter 91. Requires claims for the credit, including any amended claims, to be filed on or before the end of the twelfth month following the taxable year for which the credit is claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the tax credit.

The department of taxation shall report prior to the convening of each regular legislative session, the number of eligible taxpayers claiming the tax credit and the total cost of the tax credit during the past year.

Defines “care recipient” as an individual who: (1) Is either a U.S. citizen or qualified alien; (2) does not reside in a long-term care facility, and (3) 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 “eligible taxpayer” as any relative of a care recipient who 1) has a federal adjusted gross income of \$75,000 or less, or \$125,000, if filing a joint tax return and 2) has undertaken the care, custody, or physical assistance of the care recipient.

Defines “qualified expenses” as out-of-pocket expenses directly incurred by the eligible taxpayer in providing care to a care recipient that have not been reimbursed, credited, paid or otherwise covered by another. Includes 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, partner 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: Upon approval, shall apply to taxable years beginning after December 31, 2024.

STAFF COMMENTS: A tax credit currently exists 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.

We note that the credit as proposed is 100% of qualified expenses. The taxpayer can be thought of as paying nothing where the Hawaii taxpayers pay everything. There is currently nothing to indicate that the taxpayer seeking the credits would have “skin in the game,” and thus does not create any incentive for the taxpayer to do due diligence before incurring expenses, and does not create competition among vendors who then can charge whatever they want because the taxpayer has little motive to seek the most reasonable price.

Finally, the additional credit would require changes to tax forms and instructions, reprogramming, staff training, and other costs that could be massive in amount compared to the benefit expected to accrue because of the creditable activity.

Digested: 1/25/2025

2025 Hawaii
Leadership Board

Testimony to the House Committee on Human Services &
Homelessness Tuesday, January 28, 9:00 AM Hawaii State Capitol,
Conference Room 225, and Videoconference

RE: House Bill No. 701 – RELATING TO TAXATION

Travis Kikuchi, *Chair*
Senior Vice President
Central Pacific Bank

Lori McCarney, *Immediate*
Past Chair Community
Advocate

Tricia Medeiros, *Past Chair*
Chief Operating Officer
The Plaza Assisted Living

Gina Fujikami, *MD*
The Queen's Medical
Center

Kai Ohashi,
Financial Advisor Edward
Jones

Michael Robinson,
Vice President Hawaii Pacific
Health

Kimberly Soares, *Vice*
President Atlas Insurance

Gino Soquena,
Executive Director
Hawaii Building and
Construction Trade Council

Gordon Takaki, *Past*
President Hawaii Island
Chamber of Commerce

Cary Tanaka,
Past President
Island Insurance
Companies

Caroline Witherspoon,
President Becker
Communications

LJ R. Duenas,
Executive Director
Alzheimer's Association

Chair Marten and Members of the Committee:

My name is Coby Chock, and I am testifying on behalf of the Alzheimer's Association Hawaii Chapter in **STRONG SUPPORT** of HB 701, which provides a tax credit for family caregivers.

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 to medical visits. In addition, many caregivers pay for their loved one's care out of their own pocket. The average cost of assisted living with memory care in Hawaii is approximately \$7,036 per month which is substantially higher than the national average. This cost can be a significant financial burden on families.

The number of people living with Alzheimer's disease in Hawaii is 31,200, with 60,000 caregivers providing \$1,907,000,000 in unpaid care. This number is growing. The proposed tax credit would provide much-needed relief for family caregivers, helping them cover expenses such as adult day care fees, medical supplies, transportation, respite care, and other health and personal care services.

As an organization dedicated to supporting individuals and families affected by Alzheimer's disease and other dementias, we understand the critical importance of financial security in ensuring quality care and support. This tax credit would be a small but significant step in recognizing and supporting the invaluable contributions of family caregivers.

Please support these unsung heroes by passing HB 701. They all deserve our support. Mahalo for the opportunity to testify in support! If you have questions, please contact me at 808-451-3410 or ckchock@alz.org

Coby Chock
Director of Public Policy and Advocacy
Alzheimer's Association - Hawaii

HB-701

Submitted on: 1/26/2025 10:10:36 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce	Individual	Support	Written Testimony Only

Comments:

I support HB701 and encourage the Committee on Human Services & Homelessness to pass HB701 out of committee in support of HB701.

Mahao nui loa,

Bruce Lum

HB-701

Submitted on: 1/26/2025 10:34:45 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
dolores foley	Individual	Support	Written Testimony Only

Comments:

Testimony on House Bill No. 701**RELATING TO TAXATION**

TUESDAY, January 28, 2025 at 9:00 am

Conference Room 329 & Videoconference

State Capitol

415 South Beretania Street

Chair Marten, and Members of the Committee:

My name is Dolores Foley and I am a former caregiverr. I am in **STRONG SUPPORT of HB 701 which provides a tax credit for family caregivers.**

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. In addition, many caregivers pay for their loved one's care out of their own pocket. The average cost is \$7,200 per year to cover expenses such as adult day care fees, medical supplies, transportation, respite care and other health and personal care services. This proposed tax credit would provide a small relief for family caregivers. Please support these unsung heroes by passing HB 701. They all deserve our support.

Mahalo for the opportunity to testify!

Dolores Foley

Kailua Hi

HB-701

Submitted on: 1/26/2025 2:26:45 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lois Carney	Individual	Support	Written Testimony Only

Comments:

As an unpaid family caregiver an average of 55 hours a week, I am in support of a bill that would provide any financial relief.

Testimony on House Bill No. 701

RELATING TO TAXATION

TUESDAY, January 28, 2025 at 9:00 am

Conference Room 329 & Videoconference

State Capitol

415 South Beretania Street

Dear Chair Marten, and Members of the Committee:

My name is Sai Peng Tomchak. I am in **STRONG SUPPORT of HB 701 which provides a tax credit for family caregivers.**

My husband and I are caregivers of my mother-in-law, who has severe dementia. Before being a caretaker, I never imagined the level of involvement of a caretaker in someone else's life. We take mom to adult daycare, numerous doctor appointments, checkups, lab tests, and even emergency rooms. We spend time on managing her bills, doing her laundry, taking care of her hygienic needs and making sure she has as much as companionship as possible. My husband and I have been taking turns to take paid time off from work for mom. Very fortunately together we managed to take care of mom. However, the expenses for caring of mom have mounted, from daily necessities, doctors, emergency care, medication, adult daycare, transportation, and much more. It is hard to imagine how much more difficult it is for individuals who have to take care of their loved ones alone, without help from spouses or other family members.

Bill HB 701 will provide caretakers with some deserved financial relief. This is as much needed (if not more desperately needed) for caregivers as child tax credits needed by parents. I respectfully ask you to pass this bill.

Mahalo for the opportunity to testify!

[Name]

[Place of Residence (City, State)]

HB-701

Submitted on: 1/26/2025 4:02:16 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

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

Comments:

All of us living in Hawai'i are aware of the irony that our state has some of the highest expenses for basic needs and some of the lowest wages in the USA. We are seventh highest out of 52 states and territories for persons over 65, people living on a fixed income. This population the highest percentage of persons needing assistance in daily living. Many ohanas with special needs persons are finding their families unable to meet expenses, forced to make hard choices such as foregoing medical care to pay rent, or abandoning needed assistance needed for their child's education

Fixed incomes and a high cost of living means that many, many people who require assistance for themselves and family members cannot afford to pay for these services. It is left to family members to do it even when they really can't. We all see the exploding homeless situation in Hawai'i, and alot of this is forced upon families by these terrible choices.

Granting some tax relief through exemptions will give vitally needed relief to those in our communities who need it. It will help families keep a little extra to put food on the table of meet thise rent, or perhaps take a few hours off their work schedule to help family members who need help. Please grant our families tax relief through HB701

HB-701

Submitted on: 1/26/2025 4:15:15 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann H Paulino	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Marten and committee members,

My name is Ann Paulino and I support the tax credit for family care givers. My husband and I shared the caregiving for my father. He needed care 24-7 as his memory was rapidly decreasing and as a cancer survivor there were lingering problems like a artificial bladder or stoma, which needed daily care. My husband retired and took care of his needs until I could help on the weekends. (My father lived on the Hilo side of the island, while I worked in Kona.) We had four college aged children in school. They all worked while attending school to help with their tuition, books and supplies, rent, food and transportation. The experience was exhausting for my husband so we finally admitted to a home although it was a financial burden. It was a three year experience.

Amongst my cousins the scenario repeats itself in variations. My cousin retired to take care of both of her parents. She retired from the state at age 55 forfeitng a higher salary increase and a lower Social Security benefit, she could have received as a teacher.. Her father died 5 years later and her mom in 2022. Finally at age 72, she is able to live a life without any caregiving constraints. Like me another cousin retired to care for her father. Her husband continues to work as they have a son still attending college. An adult daughter lives at home because her salary as a SPED aide is not enough to cover her living on her own.. Again this scenario is not unusual with the high cost of living in Hawaii. I urge you to please consider passing the tax credit for family caregivers.

HB-701

Submitted on: 1/26/2025 4:44:29 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Missy Saiki	Individual	Support	Written Testimony Only

Comments:

I strongly support HB701.

To: Committee on Human Services and Homelessness

Date: Tuesday, January 28, 2025

Re: House Bill 701 Relating to Taxation

Chair Representative Marten and Members of the Committee:

My name is Esther Ueda, and I am writing in SUPPORT of House Bill 701 Relating to Taxation.

The Bill establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers.

Some of my friends have taken early retirement from their jobs to care for family members. Although this sacrifice I'm sure was appreciated by their parents and family members, it had a negative impact on their own personal financial situation(a reduction in their income and retirement benefits).

With all the significant cost increases that are occurring this creates a significant hardship on the Caregiver and their family. This tax credit can help them continue being employed, while being able to care for their loved ones.

Please support HB 701 that will provide a Tax Credit for nonpaid family caregivers.

Thank you.

Sincerely,

Esther Ueda
Pearl City, Hawaii

HB-701

Submitted on: 1/26/2025 8:18:44 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharlene Chun Lum	Individual	Support	Written Testimony Only

Comments:

Aloha Kakou,

I am writing in full support of HB701 which amend HRS 235 to establish a tax credit for family members providing critical care to their loved ones at home.

Although my mother died at age 48, two of her sisters have enjoyed a long life (ages 97 and 92) being cared for by their twin sisters (age 86) at home. Both require assistance in all areas of daily living and the eldest is bedridden. For more than five years, their twin sisters (aged 86 now) have provided 24/7 care, with other family members filling in in shifts to prevent total burnout of the twins.

HB701 provides some recognition of family members time, effort and costs to provide this quality care at home. Truly there are not enough senior care home available in Hawaii even if one could afford the significant cost (>\$8,000-\$14,000 a month on average). Family caregivers provided a much needed service to their loved ones and the community at large.

Mahalo to the House Representatives who drafted and supported this bill.

I hope that HB701 will make it through this session to provide family caregivers some relief.

Sincerely,

Shar Chun-Lum

LATE

HB-701

Submitted on: 1/27/2025 11:23:48 AM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle K.	Individual	Support	Written Testimony Only

Comments:

Chair Marten, and Members of the Committee:

My name is Michelle, and I am a family caregiver. I am in **STRONG SUPPORT of HB 701 which provides a tax credit for family caregivers.**

Currently, my grandmother lives at home and require 24/7 care with all activities of daily living. Everyone in the family pitches in to help. I work six days a week and sometimes have to leave workplace early to take care of grandmother's needs when others are unavailable. After work, I try to help what I can to lessen burden on others. I hope you can imagine how tough it is to balance making a living and caring for family members at the same time. Balancing more than two full time jobs even though one is unpaid is extremely exhausting and the sacrifice is pay and sleep. Any relief from the legislature is much appreciated.

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. In addition, many caregivers pay for their loved one's care out of their own pocket. The average cost is \$7,200 per year to cover expenses such as adult day care fees, medical supplies, transportation, respite care and other health and personal care services. This proposed tax credit would provide a small relief for family caregivers. Please support these unsung heroes by passing HB 701. They all deserve our support.

Mahalo for the opportunity to testify!

Sincerely,
Michelle

LATE

HB-701

Submitted on: 1/27/2025 12:30:10 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Kwon	Individual	Support	Written Testimony Only

Comments:

Chair Marten, and Members of the Committee:

My name is David Kwon and I am a family caregiver and also a young voter. I am in **STRONG SUPPORT of HB 701 which provides a tax credit for family caregivers.**

Tax credit for family caregivers may seem like an issue that impacts the Kapuna's, however I am here to let you know that this is an issue that effects the young adults of Hawaii as well. As someone that has witnessed my family make countless sacrifices to care for our loved ones, I am here to let you know that family caregivers need your help. Our pursuit in honorably assisting the Kapuna's in our family, should be met with tax incentives that allow us to support ourselves and stay afloat. To many individuals are suffering because we are sacrificing our jobs, time, and money to ensure that our Kapuna's get the care that they deserve and need.

. The average cost is \$7,200 per year to cover expenses such as adult day care fees, medical supplies, transportation, respite care and other health and personal care services. This proposed tax credit would provide a small relief for family caregivers. This is an issue that effects all voting groups and I pray that you will support these unsung heroes by passing HB 701. They all deserve our support.

Mahalo for the opportunity to testify!

David Kwon

HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2025

<u>COMMITTEE ON HUMAN SERVICES & HOMELESSNESS</u>
Rep. Lisa Marten, Chair
Rep. Ikaika Olds, Vice Chair

Rep. Terez Amato	Rep. Jenna Takenouchi
Rep. Cory M. Chun	Rep. David Alcos III
Rep. Sue L. Keohokapu-Lee Loy	Rep. Diamond Garcia
Rep. Gregg Takayama	

LATE

NOTICE OF HEARING
Tuesday, January 27, 2025

H.B.701 - RELATING TO TAXATION

Good morning, Chair Marten, Vice Chair Olds and members of the Committee on Human Services & Homelessness. My name is Carol Wakayama and I wish to submit testimony in favor of H.B.701.

Volunteer family caregivers come forward to provide help to those they love. Although associated costs - to provide help - can range from hundreds to thousands of dollars, family caregivers currently provide this care without any compensation or tax credits. Family caregivers provide help such as preparing meals, providing hygiene and transportation. It could also be something relatively simple like reading to or talking story with their loved ones.

H.B.701 establishes refundable Family Caregiver Tax Credits for providing family caregiving. If passed, H.B.701 would assist family caregivers to provide care/help to those they love. H.B.701 could also encourage others to provide care - even though they are currently financially unable to provide such help to their loved ones.

For reasons mentioned above, I humbly request that H.B.701 be considered for passage. Thank you.

LATE

HB-701

Submitted on: 1/27/2025 2:26:09 PM

Testimony for HSH on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Annette Kim	Individual	Support	Written Testimony Only

Comments:

Annette's Testimony

Testimony on House Bill No. 701

RELATING TO TAXATION

January 28, 2025 at 9:00 am

Conference Room 329 & Video conference at the State Capitol

415 South Beretania Street

Dear Chair Marten, and Members of the Committee:

My name is Annette Kim, and I was a family caregiver for Sang Jeong. I am in strong support of HB 701 which gives a tax credit for family caregivers.

Growing up in a Korean-Japanese household, taking care of elders is considered an honorable duty. I experienced this firsthand as I helped my mom care for my grandparent, all while she worked full time and raised her two child daughters as a single mother. Together, we juggled her long work hours, traveling, then late nights at my grandparent's bedside, and the overwhelming task of coordinating medical care and covering expenses. This experience revealed how unsupported caregivers are today.

My mom often sacrificed her own health and well-being to ensure my grandparent was cared for, and as I stepped in to help my mom, I felt the ripple effects on my own life. The constant stress and financial strain impacted us very badly.

However, my mom could not afford to quit her job because she needed to also needed to provide her children, and so we sacrificed so many things. I have seen her go through immense depression and quiet desperation for assistance. Throughout this experience, I realized that It's a cycle that's hard to break—without adequate support for caregivers, each generation risks being caught in the same struggle, forced to sacrifice their own goals, health, and stability to care for the previous one.

This isn't just about one family; it's a systemic issue that affects millions. Caregiving is an act of love, but it shouldn't come at such a high personal cost. By addressing the needs of caregivers

today, we can create a future where families are supported, and no one has to shoulder this burden alone. It affects the current generation, the next generation, and the next next generation, and so on.

A tax credit would have made living more bearable for me and my family, and my mother would be in a better financial place today. So I support and I humbly ask you to consider the passage of this bill on behalf of all the future generations to come.

LATE

January 29, 2025

TO: Chair Marten and Members of the House Human Services Committee

FROM: Carl Takamura

RE: HB 701

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.

I urge you to approve this important proposal.

Mahalo,

Carl Takamura

Carl Takamura