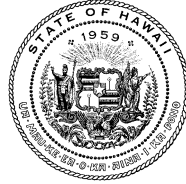


**DAVID Y. IGE**  
GOVERNOR  
**JOSH GREEN M.D.**  
LT. GOVERNOR



**RONA M. SUZUKI**  
DIRECTOR OF TAXATION  
**DAMIEN A. ELEFANTE**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
Phone: (808) 587-1540 / Fax: (808) 587-1560  
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Tom Brower, Chair;  
The Honorable Scot Z. Matayoshi, Vice Chair;  
and Members of the House Committee on Housing

From: Rona M. Suzuki, Director  
Department of Taxation

Re: **H.B. 1957, Relating to Tax Credits**  
Date: Tuesday, February 4, 2020  
Time: 9:15 A.M.  
Place: Conference Room 423, State Capitol

The Department of Taxation (Department) appreciates the intent of H.B. 1957 and provides the following comments.

H.B. 1957 amends the low-income household renters credit by increasing the adjusted gross income (AGI) threshold from \$30,000 to \$50,000 and by increasing the amount of the credit from \$50 to \$200. The bill is effective upon approval and applies to taxable years beginning after December 31, 2020.

Our "*Report on Tax Credits Claimed by Hawaii Residents for Tax Year 2017*" explains that this credit was claimed on 24,525 individual income returns, totaling \$2.5 million in credits. If each of these filers claimed this credit for \$200 instead of \$50, the total tax credit cost would be about \$10 million. Increasing the adjusted gross income threshold will further increase the expected credit claims.

The Department is able to administer the bill with its current effective date.

Thank you for the opportunity to provide comments.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Increase Low-Income Household Renters Credit

BILL NUMBER: SB 2627; HB 1957 (Identical)

INTRODUCED BY: SB by: K. RHOADS, S. CHANG, K. KAHELE, KEITH-AGARAN, MORIWAKI, J. Keohokalole, Shimabukuro; HB by JOHANSON, BELATTI, BROWER, ELI, HASHIMOTO, ICHIYAMA, KITAGAWA, C. LEE, LOWEN, LUKE, MATAYOSHI, OHNO, PERRUSO, SAIKI, WILDBERGER, WOODSON

EXECUTIVE SUMMARY: Increases the adjusted gross income eligibility cap for the income tax credit for low-income household renters from \$30,000 to \$50,000. Increases the amount used for calculating the credit from \$50 to \$200.

SYNOPSIS:

EFFECTIVE DATE: Upon approval, shall apply to taxable years beginning after December 31, 2020.

STAFF COMMENTS: The 1970 legislature adopted a system of tax credits for household renters which was intended to partially offset the higher tax burden on renters resulting from the lack of tax relief like the home exemption for homeowners and the 4% general excise tax levied on rental income. The current renter credit was established by the 1977 legislature at \$20 per exemption for those taxpayers with adjusted gross incomes of less than \$20,000 who paid more than \$1,000 in rent during the tax year. Act 230, SLH 1981, increased the credit amount to \$50. Act 239, SLH 1989, increased the adjusted gross income (AGI) limit to \$30,000 to claim the credit. The proposed measure would increase the amount of the credit from \$50 to \$150, and it would increase the AGI limit to \$60,000. It does not increase the rent qualification amount – the taxpayer still will need to pay \$1,000 in rent during a taxable year to qualify for the credit.

There are some issues to consider with refundable credits targeted at low-income and homeless people generally.

First, a tax return is one of the most complicated documents for government agencies to process. The administrative costs associated with each one can quickly make heads spin. Furthermore, as the U.S. Treasury has experienced with the Earned Income Tax Credit, the combination of complexity and a refundable credit result in a certain percentage of improper payouts, some due to mistake or misunderstanding, and some due to bad actors.

Second, the low-income household renters' credit does nothing for most of the homeless; the credit requires payment of more than \$1000 in rent. And even for those in the target population who do qualify for this credit, the relief that the credit provides comes in a tax refund which is paid, at the earliest, in the early part of the year after the tax return filer needs the relief. A person who qualifies for the credit in 2020, for example, won't get a check until early 2021.

Third, as a policy matter, lawmakers might prefer that the recipient of the refund not use the money obtained on certain things, illegal drugs for example. But the tax system contains no way of restricting the uses of a refund check; other departments do have systems in place to give some assurance that the payment will go toward legitimate living expenses such as groceries (EBT, for example).

The better solution is to get such people out of the tax system entirely. They receive peace of mind because they don't have to worry about tax returns, and the department doesn't have to worry about processing those returns. If additional relief to such people is considered desirable, it can be delivered through the agencies that are better equipped to do so.

Digested 1/27/2020

### TESTIMONY IN SUPPORT OF HB 1957

TO: House Committee on Housing  
Chair: Tom Brower  
Vice Chair: Scot Z. Matayoshi

FROM: Jasmine Umeno  
Executive Assistant

DATE: February 3, 2020

Dear Chair Brower, Vice Chair Matayoshi, and members of the Committee,

Hawai'i Health & Harm Reduction Center (HHHRC) is writing **in support of HB 1957**, which would increase the low-income household renters' credit.

Hawai'i is among the most expensive states to live in the United States. Half of Hawai'i's renters are housing-cost burdened, paying at least 30% of their income on rent, the 4<sup>th</sup>-highest rate in the nation, while two thirds of Hawai'i residents living at or near the poverty line spend more than 50% of their incomes on rent. The minimum wage to be able to afford housing according to The National Low-Income Housing Coalition (NLIHC) is projected to be \$28.70 in 2020<sup>1</sup>. As many workers do not currently earn those wages, low-income renters struggle to keep up with the rising cost of housing in the islands. This bill would help families who are struggling to afford our state's high cost of living.

Hawai'i's working families are in urgent need of an updated tax system that will make housing costs more affordable. HB 1957 increases the maximum value of the credit per household member as well as the income eligibility limit, from \$50 to \$200 per exemption and from \$30,000 to \$50,000 per year, respectively. These credits no longer reflect the costs of housing in the islands, and have not been adjusted for inflation – the last time the value of the renters' credit was updated was nearly 40 years ago, in 1981, while the income eligibility limit was last increased in 1989, over 30 years ago.

HHHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health, and our organization sees firsthand the negative effects of Hawai'i's high cost of living. Increasing the eligibility cap for the income tax credit for low-income renters will go far to give low-income workers and families in our state the ability to afford housing. Thank you for the opportunity to provide testimony today in support of HB 1957.

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<sup>1</sup> <https://www.raiseuphawaii.org/s/RUH-living-wage-in-2020-updated.pdf>



Pono Hawai'i Initiative

Josh Frost - President • Patrick Shea - Treasurer • Kristin Hamada  
Nelson Ho • Summer Starr

Monday, February 3, 2020

Relating to Tax Credits  
Testifying in Support

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports HB1957 Relating to Tax Credits**, which increases the eligibility threshold for income tax credit for low-income household renters from \$30,000 to \$50,000.

The last time the threshold was adjusted was 1989 – 31 years ago, the tax credit amount was last adjusted in 1981. Since that adjustment the cost of housing has gone up by 390%. This adjustment is long overdue.

For all these reasons, we urge you to move this bill forward.

Mahalo for the opportunity,  
Gary Hooser  
Executive Director  
Pono Hawai'i Initiative



# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
In Support with Amendments of HB 1957 -- Relating to Tax Credits  
House Committee on Housing  
Tuesday, February 4, 2020, 9:15 AM, in conference room 423

Dear Chair Brower, Vice Chair Matayoshi, and members of the Committee:

Thank you for the opportunity to provide testimony in **SUPPORT, with amendments, of HB 1957**, which would adjust the low-income household renters' credit to provide more help to more of the families who need the financial support that it provides.

Unfortunately, two recent headlines aren't anything new:

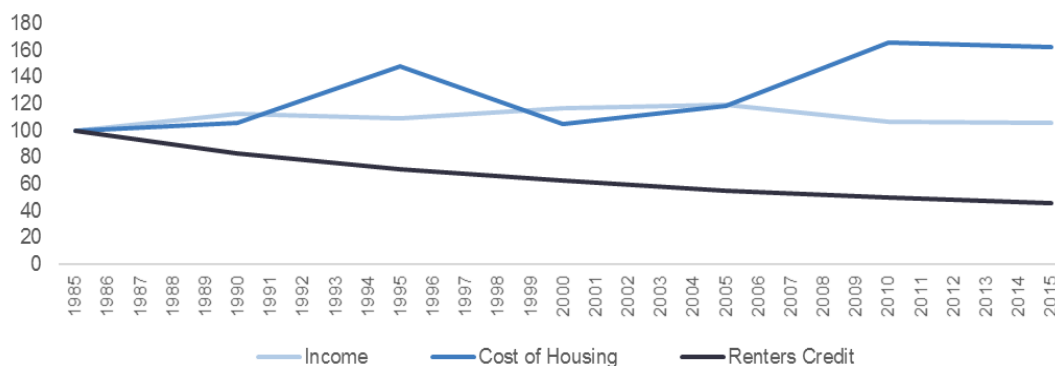
- [Two-thirds of Hawaii Residents Struggle Financially](#)
- [Nearly 7,000 Became Homeless in 2019 on Oahu](#)

A major reason for this dire situation is our state's sky-high cost of housing. A full-time worker in Hawai'i needs to make \$36.82 per hour (or over \$75,000 per year) to afford a 2-bedroom apartment, which is the highest "housing wage" in the nation.<sup>i</sup>

So it's no surprise that just over half (51 percent) of Hawai'i's renters are housing-cost burdened -- paying at least 30 percent of their income on rent -- the 4th-highest proportion in the nation.<sup>ii</sup> And nearly two-thirds of Hawai'i residents living at or near the poverty line spend more than *half* of their incomes on rent.<sup>iii</sup>

### Hawai'i's Incomes and Renters' Credit Have Not Kept Up With the Cost of Housing

Median Household Income vs. Rent for a Two-Bedroom Apartment vs. Low-Income Household Renters' Credit



Notes: Index, 1985 = 100. Real values.

Hawai'i's low-income household renters' credit was created 40 years ago to help make up for the high rents and tax rates that burden our low- and moderate-income neighbors. However, it has not been updated in over three decades, not even to simply keep up with inflation.

*Hawai'i Appleseed is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.*

The amount of the credit was set nearly 40 years ago, in 1981, at \$50 per exemption. The income eligibility limit was set over 30 years ago, in 1989, at \$30,000, which was just above the median household income at that time. Neither of those levels have budged since then.<sup>iv</sup>

This bill increases the maximum value of the credit per household member as well as the income eligibility limit, from \$50 to \$200 per exemption and from \$30,000 to \$50,000 per year, respectively. This would provide more significant assistance to more families who are struggling to afford their rent.

We respectfully suggest **amendments to increase the maximum income eligibility limit to just above the median household income<sup>v</sup>** as well as **phase out the credit as incomes rise**, in order to avoid a tax "cliff," which is when a household of four, for example, would lose \$800 in this tax credit when their annual income rises just over the limit. It is generally considered good tax policy to phase out credits in this manner.

In addition, we respectfully suggest **amendments to create different income eligibility brackets for different types of households:** married, head of household, and single. This would account for the fact that it is much more difficult for a family of four, for example, to survive on \$40,000 per year, than it is for a single person. The income eligibility limits would be highest for joint married filers, in the middle for heads of households (single parents), and lower for single filers, as listed below:

Adjusted gross income for taxpayers filing a single return or married individuals filing separate returns	Credit per exemption
Under \$20,000	\$150
\$20,000 under \$30,000	\$100
\$30,000 under \$40,000	\$ 50
\$40,000 and over	\$ 0

Adjusted gross income heads of household	
Under \$30,000	\$150
\$30,000 under \$45,000	\$100
\$45,000 under \$60,000	\$ 50
\$60,000 and over	\$ 0

Adjusted gross income for taxpayers filing a joint return under section 235-93 or a surviving spouse	
Under \$40,000	\$150
\$40,000 under \$60,000	\$100
\$60,000 under \$80,000	\$ 50
\$80,000 and over	\$ 0

We appreciate your consideration of this testimony. Please respectfully urge you to pass HB 1957 with our suggested amendments.

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<sup>i</sup> <https://reports.nlihc.org/oor/hawaii>

<sup>ii</sup> <https://www.jchs.harvard.edu/americas-rental-housing-2020>

<sup>iii</sup> [https://nlihc.org/sites/default/files/SHP\\_HI.pdf](https://nlihc.org/sites/default/files/SHP_HI.pdf)

<sup>iv</sup> [http://tax.hawaii.gov/stats/a5\\_1annual/a5\\_4credits/](http://tax.hawaii.gov/stats/a5_1annual/a5_4credits/)

<sup>v</sup> <https://dbedt.hawaii.gov/economic/ranks/>



## HB 1957, RELATING TO TAX CREDITS

FEBRUARY 4, 2020 · HOUSE HOUSING COMMITTEE  
· CHAIR REP. TOM BROWER

**POSITION:** Support, with amendments.

**RATIONALE:** IMUAlliance supports and suggests an amendment for HB 1957, relating to tax credits, which increases the adjusted gross income eligibility cap for the income tax credit for low-income household renters from \$30,000 to \$50,000 and increases the amount used for calculating the credit from \$50 to \$200.

Today, **the lack of affordable housing exacerbates the economic insecurity suffered by local families, which sex traffickers use to prey upon potential victims with false promises of financial stability and prosperity.** Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2019* report found that a full-time worker would need to earn \$36.82/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 111 hours per week to afford a modest one-bedroom apartment at fair market value and 146 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an



average wage of \$16.68/hour, according to NLIHC, scarcely enough to meet their basic needs. One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 63 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

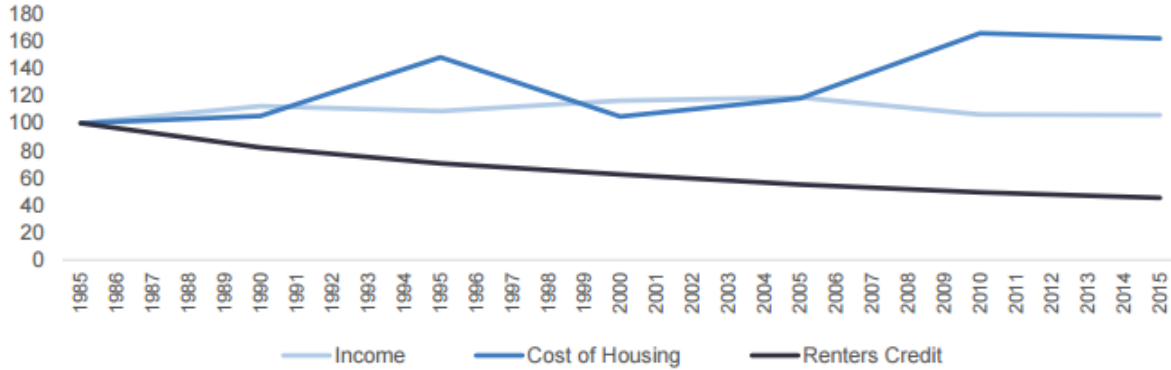
Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a third consecutive year in 2019, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by more than 4,700 people, to 1,415,872, from July 2018 to July 2019, when births, deaths, and migration were accounted for. That's the biggest numerical population drop since 2015 and it made Hawai'i one of just ten states in the country to lose population in 2019, according to the U.S. Census Bureau.

To help ease Hawai'i's highest-in-the-nation cost of living, lawmakers must pass measures enhancing tax fairness and economic justice. Our state's low-income renters' credit is in dire need of adjustment. In 1981, the LIHRC was set at \$50. Later, in 1989, the income eligibility cutoff was established at \$30,000, just above the median household income of the time. Yet, neither of these amounts have changed since the 1980s, leaving the amount of the credit lagging far behind inflation. We must update the renters' credit to recover ground lost to inflation by increasing the maximum value of the credit to at least \$200. We also **urge the committee to ensure that the credit is automatically adjusted in future years according to increases in the consumer price index**, which will prevent the value of the credit from lagging behind our ever-inflating high cost of living.

## FAILURE TO KEEP UP WITH COST OF LIVING

### Hawai'i's Incomes and Renters' Credit Have Not Kept Up With the Cost of Housing

Median Household Income vs. Rent for a Two-Bedroom Apartment vs. Low-Income Household Renters' Credit



Notes: Index, 1985 = 100. Real values.

## RENT VS. WAGE INCREASES

### Rents vs. Wage Increases

*Starting in 2005, increases in rents in Hawaii have far outpaced increases in wages*





49 South Hotel Street, Room 314 | Honolulu, HI 96813  
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON HOUSING  
TUESDAY, February 4, 9:15 am, Room No. 423

HB1957, RELATING TO TAX CREDITS  
**TESTIMONY**

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Brower, Vice-Chair Matayoshi and Committee Members:

**The League of Women Voters of Hawaii strongly supports this bill, which would bring the qualifying incomes and amount of the low income household renters credit up to date.**

The National Low-Income Housing coalition calculated in 2019 that to afford a one-bedroom apartment in Hawaii, a household needed to earn \$28.04 an hour. Low income renters need all the help they can get to avoid falling into homelessness, as so many have even just in the past year. Families with stable housing experience many advantages - their children are healthier and more likely to succeed in school, for example. There is far less burden on the state when people are stably housed than when they become homeless.

Please pass HB1957 which will restore some of the value the low income renters tax credit had in the 80's which has been lost to inflation, as the bill's introduction makes clear.

Thank you for the opportunity to submit testimony.



AMERICANS FOR DEMOCRATIC ACTION

OFFICERS	DIRECTORS			MAILING ADDRESS
John Bickel, President	Melodie Aduja	Chuck Huxel	Stephen O'Harrow	P.O. Box 23404
Alan Burdick, Vice President	Juliet Begley	Jan Lubin	Lyn Pyle	Honolulu
Marsha Schweitzer, Treasurer	Ken Farn	Jenny Nomura		Hawai'i 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Dave Nagaji		

February 1, 2020

TO: Chair Brower and members of Housing Committee

RE: HB 1957 Relating to Tax Credits

Support for hearing on February 4

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support HB 1957 as it would increase the adjusted gross income eligibility cap for the income tax credit for low-income household renters from \$30,000 to \$50,000. This would increase the number of families available for the tax credit.

We recognize that housing expenses are a major burden to a very large number of working families in the state of Hawaii. This tax credit is one way to ease the burden.

We agree with the Appleseed proposed amendments to increase the maximum income eligibility limit to above the median household income as well as doing a phase-out to avoid the tax "cliff."

Thank you for your favorable consideration.

Sincerely,  
John Bickel, President





Board of Directors:

## House Committee on Housing

Gary L. Hooser  
*President*

**Hawai'i Alliance for Progressive Action supports: HB 1957  
with amendments**

Andrea N. Brower  
Ikaika M. Hussey  
*Co-Vice Presidents*

Tuesday, February 4, 2020, 9:15 a.m. Conference Room 423

Kim Coco Iwamoto  
*Treasurer*

Aloha Chair Brower, Vice Chair Matayoshi and Members of the  
Committee,

Bart E. Dame  
*Secretary*

On behalf of the Hawai'i Alliance for Progressive Action (HAPA) I  
am submitting testimony in **support of HB 2541 with  
amendments**, which would adjust the low-income household  
renters' credit to provide more help to more families who need this  
financial support.

Paul Achitoff

Laura Harrelson

Hawai'i has the highest cost of living in the nation. One of the main  
drivers of this is skyrocketing housing costs, which are also the  
highest in the nation. Currently a fulltime worker in Hawai'i needs  
to earn \$35.20 per hour (over \$73,000 per year) to afford a two-  
bedroom apartment.

Kaleikoa Ka'eo

Michael Miranda

Walter Ritte Jr.

The state's Low-Income Household Renters' Credit was created  
40 years ago to help make up for the high tax rates that burden our  
low- and moderate-income renters. However, it has not been  
updated in nearly three decades to even account for inflation.

Pua Rossi-Fukino

Karen Shishido

Leslie Malulani Shizue Miki

The amount of the Renters' Credit was last set over 35 years ago,  
in 1981, at \$50 per exemption. The income eligibility cut-off was  
set in 1989 at \$30,000, which was just above the median  
household income at that time. Neither of those levels have  
budged since then.

Low-income families are in crucial need of the type of tax relief that  
an improved Renters' Credit could provide, and we wholeheartedly  
support an adjustment to reach these families in need.

We respectfully suggest amendments to increase the maximum income eligibility limit to just above the median household income as well as phase out the credit as incomes rise, in order to avoid a tax “cliff,” which is when a household of four, for example, would lose \$800 in this tax credit when their annual income rises just over the limit. It is generally considered good tax policy to phase out credits in this manner.

In addition, we respectfully suggest amendments to create different income eligibility brackets for different types of households: married, head of household, and single. This would account for the fact that it is much more difficult for a family of four, for example, to survive on \$40,000 per year, than it is for single person. The income eligibility limits should be highest for joint married filers, in the middle for heads of households (single parents), and lower for single filers,

Mahalo for your consideration. HAPA is a member of the Common Good Coalition and the Hawaii Tax Fairness Coalition.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Frederick", is centered on a light gray rectangular background.

Anne Frederick  
Executive Director



Testimony of Faith Action for Community Equity  
In Support with Amendments of HB 1957 -- Relating to Tax Credits  
House Committee on Housing  
Tuesday, February 4, 2020, 9:15 AM, in conference room 423

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Dear Chair Brower, Vice Chair Matayoshi, and members of the Committee:

Thank you for the opportunity to provide testimony in **SUPPORT, with amendments, of HB 1957**, which would adjust the low-income household renters' credit to provide more help to more of the families who need the financial support that it provides.

Unfortunately, two recent headlines aren't anything new:

- [Two-thirds of Hawaii Residents Struggle Financially](#)
- [Nearly 7,000 Became Homeless in 2019 on Oahu](#)

A major reason for this dire situation is our state's sky-high cost of housing. A full-time worker in Hawai'i needs to make \$36.82 per hour (or over \$75,000 per year) to afford a 2-bedroom apartment, which is the highest "housing wage" in the nation.<sup>1</sup>

So it's no surprise that just over half (51%) of Hawai'i's renters are housing-cost burdened -- paying at least 30 percent of their income on rent -- the 4th-highest rate in the nation.<sup>2</sup> Nearly two-thirds of Hawai'i residents living at or near the poverty line spend more than half of their incomes on rent.<sup>3</sup>

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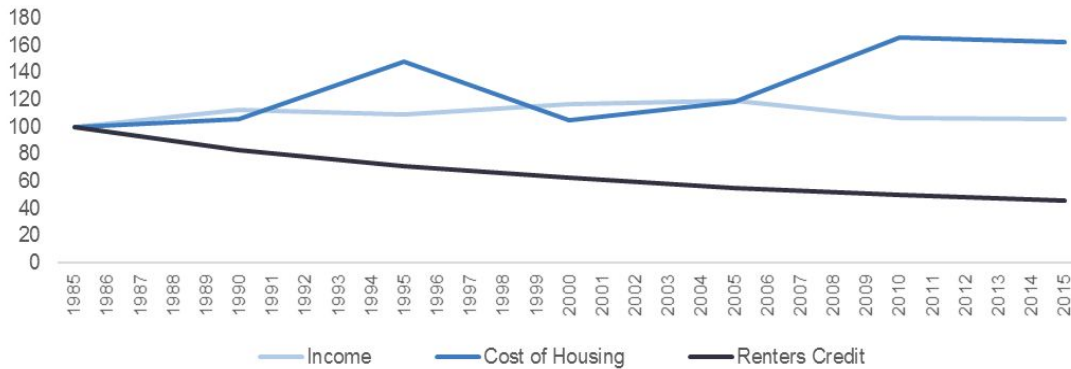
<sup>1</sup> <https://reports.nlihc.org/oor/hawaii>

<sup>2</sup> <https://www.jchs.harvard.edu/americas-rental-housing-2020>

<sup>3</sup> [https://nlihc.org/sites/default/files/SHP\\_HI.pdf](https://nlihc.org/sites/default/files/SHP_HI.pdf)

## Hawai'i's Incomes and Renters' Credit Have Not Kept Up With the Cost of Housing

Median Household Income vs. Rent for a Two-Bedroom Apartment vs. Low-Income Household Renters' Credit



Notes: Index, 1985 = 100. Real values.

Hawai'i's low-income household renters' credit was created 40 years ago to help make up for the high rents and tax rates that burden our low- and moderate-income neighbors. However, it has not been updated in over three decades, not even to simply keep up with inflation.

The amount of the credit was set nearly 40 years ago, in 1981, at \$50 per exemption. The income eligibility limit was set over 30 years ago, in 1989, at \$30,000, which was just above the median household income at that time. Neither of those levels have budged since then.<sup>4</sup>

This bill increases the maximum value of the credit per household member as well as the income eligibility limit, from \$50 to \$200 per exemption and from \$30,000 to \$50,000 per year, respectively. This would provide more significant assistance to more families who are struggling to afford their rent.

We respectfully suggest **amendments to increase the maximum income eligibility limit to just above the median household income** as well as **phase out the credit as incomes rise**, in order to avoid a tax "cliff," which is when a household of four, for example, would lose \$800 in this tax credit when their annual income rises just over the limit. It is generally considered good tax policy to phase out credits in this manner.

In addition, we respectfully suggest **amendments to create different income eligibility brackets for different types of households:** married, head of household, and single. This would account for the fact that it is much more difficult for a family of four, for example, to survive on \$40,000 per year, than it is for a single person. The income eligibility limits should be highest for joint married filers, in the middle for heads of households (single parents), and lower for single filers, as listed below:

Adjusted gross income for taxpayers filing	Credit per exemption
a single return or married individuals filing separate returns	
Under \$20,000	\$150

<sup>4</sup> [http://tax.hawaii.gov/stats/a5\\_1annual/a5\\_4credits/](http://tax.hawaii.gov/stats/a5_1annual/a5_4credits/)



\$20,000 under \$30,000	\$100
\$30,000 under \$40,000	\$ 50
\$40,000 and over	\$ 0

Adjusted gross income heads of household	
Under \$30,000	\$150
\$30,000 under \$45,000	\$100
\$45,000 under \$60,000	\$ 50
\$60,000 and over	\$ 0

Adjusted gross income for taxpayers filing a joint return under section 235-93 or a surviving spouse	
Under \$40,000	\$150
\$40,000 under \$60,000	\$100
\$60,000 under \$80,000	\$ 50
\$80,000 and over	\$ 0

We appreciate your consideration of this testimony. Please respectfully urge you to pass HB 1957 with our suggested amendments.

Mahalo,

Ashleigh Loa, Acting Executive Director

Soo San Schake, Assistant Director

Rev. Sam Domingo, Living Wage committee co-chair

Neal MacPherson, Living Wage committee co-chair



Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

*Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: Representative Brower, Chair  
Representative Matayoshi, Vice Chair  
House Committee on Housing

Re: **HB 1957- Relating to tax credits**  
Hawai'i State Capitol, Room 423  
9:15AM, 2/4/2020

Chair Brower, Vice Chair Matayoshi, and committee members,

**On behalf of Hawai'i Children's Action Network Speaks!** I am writing in **SUPPORT** of HB 1957, relating to tax credits. This bill proposes to raise the income eligibility and the credit amount for the Low-Income Household Renters' Credit.

The Credit was last amended in 1981 and income-eligibility was last amended in 1989. We should update the Renters' Credit to recover ground lost to inflation by increasing both the maximum value of the credit and the income eligibility limits. The maximum value of the Renters' Credit should be raised to \$150 per exemption, and we propose as an amendment that the eligibility threshold be lifted back to just above the median, up to \$75,000 in annual income for filers. Additionally, the credit should indexed for inflation, in order to prevent future erosion in its value.

**For these reasons, HCAN SPEAKS! respectfully requests the Committee to support this measure.**

Thank you.

**HB-1957**

Submitted on: 2/1/2020 11:00:26 PM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jun Shin	Individual	Support	No

Comments:

Aloha Chair Brower, Vice Chair Matayoshi, and members of the Committee,

My name is Jun Shin. I am a Sophomore at UH MÄ• noa I **support HB 1957**, which would increase the low-income household renters' credit, because half of Hawaii's renters are housing-cost burdened (meaning that they pay at least 30% of their income on rent), the 4th-highest rate in the nation. We need to help the many families struggling to pay rent. As a college person hoping to stay here in Hawai'i and own my own home one day but concerned about the cost of living, I personally hope to see this measue pass for a livable future.

Mahalo for the oppurtunity to testify,

**Jun Shin**

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**HB-1957**

Submitted on: 2/3/2020 3:06:52 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

**HB-1957**

Submitted on: 2/3/2020 8:07:19 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lauren Ampolos	Individual	Support	No

Comments:



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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The Thirtieth Legislature, State of Hawaii  
House of Representatives  
Committee on Housing

**LATE**

Testimony by  
Hawaii Government Employees Association

February 4, 2020

H.B. 1957 – RELATING TO TAX CREDITS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1957 which increases the adjusted gross income eligibility cap for the income tax credit for low-income household renters from \$30,000 to \$50,000 and increases the credit from \$50 to \$200.

Providing tax credits to assist low-income renters has been state policy since 1977, however the eligibility requirements and credit amounts were last adjusted in 1989 and 1981, respectively. Since the early 80's, the cost of housing has skyrocketed, necessitating an adjustment to the cap and credit. Wages have failed to keep up with our high cost of living and many local families are struggling to get by. Of the 29,000 members that we represent, the average salary is \$56,000 and our largest unit, composed of 13,000 white collar employees, has an average salary of \$39,500. These averages do not factor in the high cost of medical premiums that state and county employees must pay, which further reduces an employee's net income. The increases to the adjusted gross income eligibility cap and credit amount will positively impact our membership.

We must take steps to ease the financial burden for working families in Hawai'i. Passage of this measure, in conjunction with other measures to make the state earned income tax credit refundable and permanent and increasing the refundable food/excise tax credit, will help.

Thank you for the opportunity to testify in support of H.B. 1957.

Respectfully submitted,

Randy Perreira  
Executive Director