

TO : SENATE COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING
Sen. Suzanne Chun Oakland, Chair
Sen. Les Ihara, Jr., Vice Chair

FROM: Eldon L. Wegner, Ph.D.,
PABEA (Policy Advisory Board for Elder Affairs)

LATE

SUBJECT: SB 197 Relating to Taxation

HEARING: 2:15 pm Tuesday, February 10, 2009
Conference Room 016, Hawaii State Capitol

PURPOSE: This bill provides a tax credit to taxpayer caregivers who care for qualified recipients.

POSITION: PABEA supports this bill to provide a refundable tax credit to eligible family caregivers as specified in the provisions of the bill.

RATIONALE:

I am offering testimony on behalf of PABEA, the Policy Advisory Board for Elder Affairs, which is an appointed board tasked with advising the Executive Office on Aging (EOA). My testimony does not represent the views of the EOA but of the Board. I am also a professor of medical sociology at UH-Manoa who has worked with elderly services in Hawaii for more than 20 years.

§ We support legislation which would provide financial assistance to family caregivers. The statewide caregiver survey confirmed that a majority of family caregivers have low incomes and suffer from financial strain. In addition, they have difficulty affording needed services. A tax credit was one of the most frequent requested forms of assistance by the caregivers responding to the survey.

§ The provisions of this bill reflect the consideration of legislative committees in hearing issues raised by similar bills during the past several years. We support the general parameters of the tax credit contained in this bill, including:

§ The tax credit is refundable. Many low-income tax payers do not pay state taxes or pay very low state taxes, but they should not be excluded from receiving the level of financial they qualify for based on the income criterion;

§ Offering a sliding scale, so that the limited funds in the program can provide greater assistance to the lowest income categories of caregivers but that all family caregivers receive some support for their financial sacrifices in caregiving;

§ A provision that the Tax Department assist the EOA by providing information to caregivers who apply for

Thank you for the opportunity to provide this testimony.