

STAND. COM. REP. NO. 3494

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 2166
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2166, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to provide tax relief to low-income households by expanding the income tax credit eligibility for low income-household renters, based on adjusted gross income and filing status.

Your Committee received written comments in support of this measure from Americans for Democratic Action, Hawaii Chapter; Caring Across Generations; Catholic Charities Hawaii; The CHOW Project; Community Alliance on Prisons; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Children's Action Network; IMUAlliance; Kokua Kalihi Valley; League of Women Voters of Hawaii; LGBT Caucus of the Democratic Party of Hawaii; Partners in Care; PHOCUSED; and four individuals.

Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and Honolulu Community Action Program, Inc.

Your Committee finds that the income threshold to qualify for the income tax credit for low-income household renters has not been amended since 1989, and the amount of the tax credit has not

HB2166 SD2 SSCR LRB 16-2109.doc



been amended since 1981. At the current income threshold and tax credit amount, many households that are at risk of falling into poverty do not qualify for the tax credit, and those that do qualify, do not receive a tax credit of any significant amount. Your Committee finds that expanding both the income threshold and the tax credit amount will provide low-income household renters with meaningful tax relief.

Your Committee recognizes that, according to the Department of Taxation's estimate, this measure is expected to have an annual negative fiscal impact of \$11,200,000 to the general fund.

Your Committee has amended this measure by:

- (1) Specifying the dollar amounts of the tax credit;
- (2) Adding a separate filing category for heads of household; and
- (3) Clarifying the filing status descriptions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2166, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2166, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 2166, HD1, SD1	Committee Referral: HOU, WAM	Date: 3/20/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood				/
HARIMOTO, Breene	/			
INOUE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	9			8
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution: Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes