

SB581

Submitted on: 2/5/2015

Testimony for WAM on Feb 6, 2015 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Hawaii Women's Coalition	Support	No

Comments: The Hawaii Women's Coalition strongly supports this bill. Like its sister, SB555, it is designed to soften the blow of our tax-the-poor policies. Please pass this bill. Mahalo for letting me testify, Ann S. Freed Co-Chair, Hawaii Women's Coalition annsfreed@gmail.com 808-623-5676

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COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair Senator Ronald D. Kouchi, Vice Chair

Friday, February 06, 2015

SB 581, RELATING TO TAX CREDITS

Testifying in Support

Good afternoon, Chair Tokuda, Vice Chair Kouchi and Members of the Committee,

The Democratic Party of Hawaii **STRONGLY SUPPORTS** this bill. We note the strong similarities with SB 555.

SB 581 would adjust the refundable food/excise tax credit and tie future increases in the credit to increases in the consumer price index. The tax credit has not been adjusted for inflation since 2007 and this adjustment is overdue. By tying future increases to the CPI, it will allow the credit to be adjusted automatically, without action by the Legislature.

The platform of the Democratic Party of Hawaii unequivocally states:

"We re-affirm our commitment to a progressive tax structure and will work to re-establish a system based upon 'ability to pay'."

As shown in the recent report from the Institute on Taxation and Economic Policy, titled, "Who Pays?," Hawaii's state and local taxes fall most heavily on low and middle income earners, with high income earners paying the smallest proportion of their income in local taxes. We support legislation like SB 581 as a means for re-balancing the tax structure and a step towards increased tax justice.

Therefore, the State Central Committee of the Democratic Party has established support for bills like SB 581 as a top-tier priority for the 2015 legislative session.

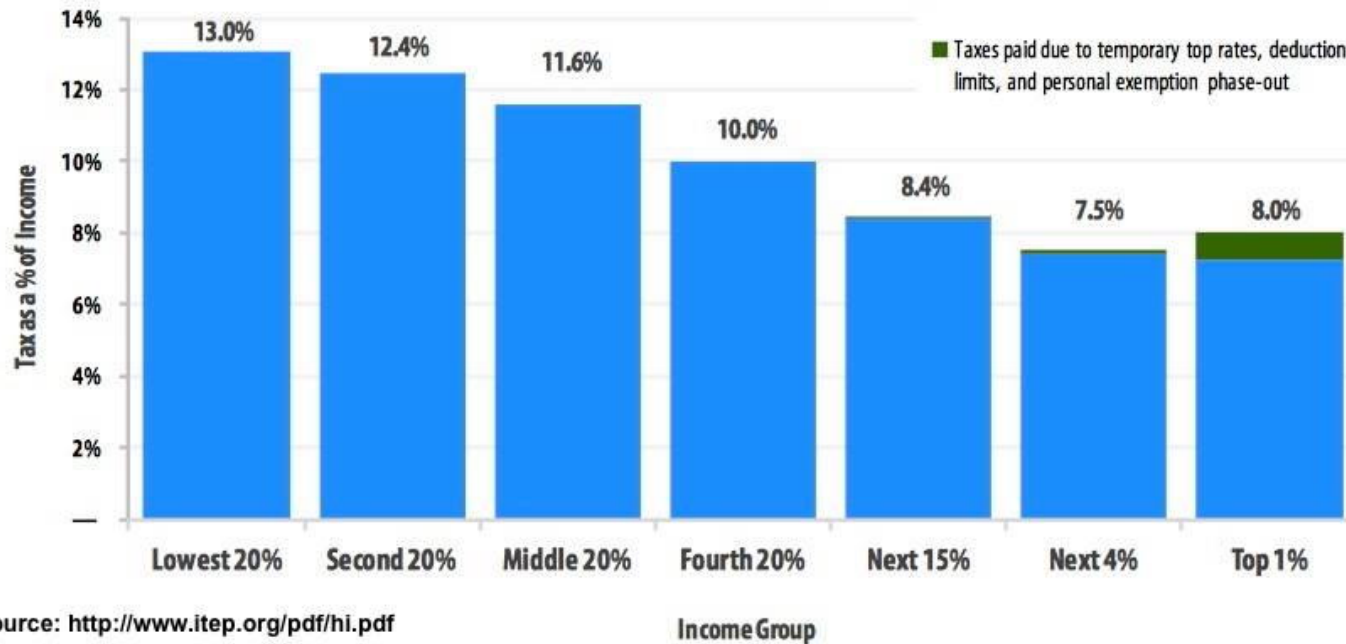
We strongly urge your support for this measure.

Thank you for the opportunity to testify on this important matter.

The Legislation Committee of the Democratic Party of Hawaii

ATTACHED is a chart from the Institute on Taxation and Economic Policy which graphically illustrates the regressive structure of Hawaii current tax code. We believe SB 555 would help correct this situation and commend this chart to you.

Temporary Income Tax Provisions in Hawaii are a Modest Step Toward Reduced Tax Regressivity



Source: <http://www.itep.org/pdf/hi.pdf>

To the right, you will see a green segment atop the tax rate paid by the 1%. That is a temporary tax hike, scheduled to expire at the end of 2015, unless the legislature acts to delete the "sunset" provision. So your legislator gets to CHOOSE, this coming session, if he/she wants to give the 1% a tax cut or not.

LATE

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Carl	Individual	Support	No

Comments:

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Kenny Wusstig	Individual	Support	No

Comments:

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