STAND. COM. REP. NO. 2992

Honolulu, Hawaii

MAR 2 1 2018

RE: H.B. No. 1718

H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1718, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to assist families with young children by establishing a nonrefundable income tax credit for child care costs for children four years and younger.

Your Committee received testimony in support of this measure from Young Progressives Demanding Action - Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and one individual. Your Committee received comments on this measure from the Department of Human Services, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that the high cost of infant and child care in the State poses a significant challenge for families. Your Committee further finds that the cost of raising a child in the State is higher than the national average, with child care costs being one of the top expenses for a working family. This measure will assist families with young children by providing financial relief from the high cost of child care.

Your Committee has amended this measure by:



- (1) Inserting \$3,000 as the maximum amount for a taxpayer to receive as a nonrefundable tax credit per eligible child per taxable year;
- (2) Amending the definition of "qualifying costs" to include costs for care provided at infant and toddler child care centers registered or licensed by the Department of Human Services; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1718, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1718, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Human Services,

JOSH GREEN, Chair

The Senate Twenty-Ninth Legislature State of Hawaiʻi

Record of Votes Committee on Human Services HMS

Bill / Resolution No.:*	Committee Referral:		Da	Date:	
HB 1718, HDI	HM9, WAM 3/12/18				
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)					
CHANG, Stanley (VC)					1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
HARIMOTO, Breene		V			
TOKUDA, Jill N.					
WAKAI, Glenn					
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TOTAL		4			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					