

Honolulu, Hawaii

FEB 28 2019

RE: S.B. No. 1014  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1014 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to address recent increases in the cost of household and dependent care services.

Specifically, this measure amends the income tax credit that may be claimed for certain expenses for household and dependent care services that are necessary for gainful employment by:

- (1) Increasing the taxpayer's applicable percentage of the employment-related expenses and dollar limit on amounts creditable that constitute the tax credit; and
- (2) Requiring the Department of Taxation from September 30, 2020, and each September 30th thereafter, to make annual adjustments for inflation to the adjusted gross income thresholds and dollar limits on amounts creditable.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, Collaborative Support Services Inc., Hawaii Appleseed Center for



Law & Economic Justice, Midwives Alliance of Hawaii, Hawaii Alliance for Progressive Action, and three individuals.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

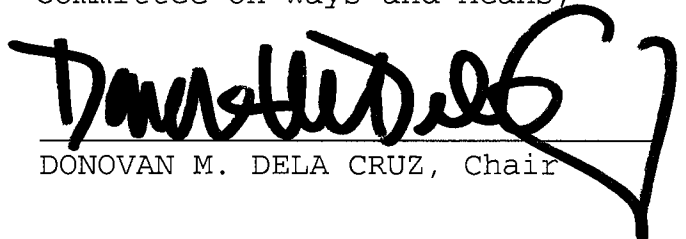
Your Committee finds that this measure will assist families with young children in the State to access high-quality early learning options.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 S.B. No. 1014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1014, S.D. 1, and be placed on the calendar for Third Reading.

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

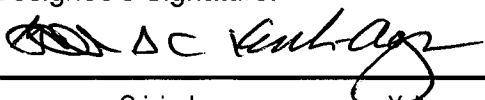


DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 1014</b>	Committee Referral: <b>WAM</b>	Date: <b>2/6/19</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>13</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes