

Honolulu, Hawaii

FEB 13 , 2020

RE: H.B. No. 1958

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 1958 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to amend the income tax credit for expenses for household and dependent care services necessary for gainful employment by changing the taxpayer's applicable percentage of employment-related expenses that constitutes the tax credit and cap amount.

Your Committee received testimony in support of this measure from the Policy Advisory Board for Elder Affairs; Americans for Democratic Action; American Association of University Women of Hawaii; Hawaii Children's Action Network Speaks!; Hawaii Appleseed Center for Law & Economic Justice; Faith Action for Community Equity; Alzheimer's Association, Aloha Chapter; and six individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that childcare is a major family expense in Hawaii. According to the Hawaii Early Learning Needs Assessment (Assessment) published by the University of Hawaii Center on the Family in 2017, the average cost to enroll one child in a child care center in Hawaii, full-time, was \$9,500 a year.



Your Committee notes that while the cost of child care varies in the State, the average cost of child care in Hawaii has increased since the Assessment was published. This measure improves the child and dependent care tax credit to help families with their child care costs.

Your Committee also notes that the Hawaii State Tax Review Commission will be meeting next year and hopes that the Commission will address some of the concerns raised at your Committee's public hearing, including discussion on tax structure, tax relief, and other tax incentives as they relate to lower income taxpayers.

Your Committee has amended this measure by changing its effective date to December 31, 2059, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1958, H.D. 1, and be referred to your Committee on Finance.

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



JOY A. SAN BUENAVENTURA, Chair



State of Hawaii  
House of Representatives **HSCR 384-20**  
The THIRTIETH Legislature

**Record of Votes of the Committee on Human Services & Homelessness**

Bill/Resolution No.: <b>HB 1958</b>	Committee Referral: <b>HSH, FIN</b>	Date: <b>02/07/2020</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>HSH Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
<b>1. SAN BUENAVENTURA, Joy A. (C)</b>	<input checked="" type="checkbox"/>			
<b>2. NAKAMURA, Nadine K. (VC)</b>	<input checked="" type="checkbox"/>			
<b>3. BELATTI, Della Au</b>				<input checked="" type="checkbox"/>
<b>4. KOBAYASHI, Bertrand</b>	<input checked="" type="checkbox"/>			
<b>5. MIZUNO, John M.</b>	<input checked="" type="checkbox"/>			
<b>6. SAY, Calvin K.Y.</b>				<input checked="" type="checkbox"/>
<b>7. TOKIOKA, James Kunane</b>	<input checked="" type="checkbox"/>			
<b>8. WARD, Gene</b>	<input checked="" type="checkbox"/>			
<b>TOTAL (8)</b>	<b>0</b>			<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Nadine K. Nakamura</i>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				