STAND. COM. REP. NO.

840

Honolulu, Hawaii

MAR 04 , 2021

RE: H.B. No. 432

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 432 entitled:

"A BILL FOR AN ACT RELATING TO THE EARNED INCOME TAX CREDIT," begs leave to report as follows:

The purpose of this measure is to extend the earned income tax credit by five additional years.

Your Committee testimony in support of this measure from Americans for Democratic Action; Hawai'i Appleseed Center for Law and Economic Justice, Hawaii Children's Action Network Speaks!; Chamber of Commerce Hawaii; and Hawai'i Public Health Institute. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Hawai'i Budget & Policy Center.

Your Committee finds that Act 107, Session Laws of Hawaii 2017, established a nonrefundable state earned income tax credit at twenty percent of the federal earned income tax credit and is set to not apply to taxable years beginning after December 31, 2022.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 432, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature 4542 846

## **Record of Votes of the Committee on Finance**

Bill/Resolution No.:  HB 432	Committee Referral:	FIN	Date: 2 723	-2021
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: ☐ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (W	(R) Nays	Excused
1. LUKE, Sylvia (C)		_		
2. CULLEN, Ty. J.K. (VC)				
3. BRANCO, Patrick Pihana				
4. ELI, Stacelynn K.M.				
5. HOLT, Daniel		_		
6. ILAGAN, Greggor				
7. KOBAYASHI, Bertrand				
8. MARTEN, Lisa				
9. NISHIMOTO, Scott Y.		_		
<ul><li>10. PERRUSO, Amy A.</li><li>11. SAYAMA, Jackson D.</li></ul>				
12. TAM, Adrian K.				
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.		_		
15. McDERMOTT, Bob		_		
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TOTAL (15)		5 Ø	Ø	0
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				