STAND. COM. REP. NO. 757 -22

Honolulu, Hawaii

FEB 15 , 2022

RE: H.B. No. 1569 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 1569 entitled:

"A BILL FOR AN ACT RELATING TO THE REFUNDABLE FOOD/EXCISE TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to increase the income threshold eligibility to claim the refundable food/excise tax credit.

Your Committee received testimony in support of this measure from the Children's Action Network Speaks!, Hawai'i Alliance for Progressive Action, Hawaii Food Industry Association, and two individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii places one of the highest tax burdens on low-income households in the nation. Families in Hawaii who earn less than \$20,000 per year pay roughly fifteen percent of their income to state and local taxes. In comparison, those who make over \$450,000 pay only about nine percent. This measure would create a more equal tax system and provide some financial relief to those who need it the most by allowing more families to qualify for the refundable food/excise tax credit.

2022-1271 HB1569 HD1 HSCR HMSO



Your Committee has amended this measure by:

- (1) Changing the maximum threshold amounts to qualify for the refundable food/excise tax credit to unspecified amounts; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1569, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

SEAN OUINLAN, Chair

State of Hawaii

House of Representatives The Thirty-first Legislature House of Representatives House of Representatives The Thirty-first Legislature

Record of Votes of the Committee on Economic Development

Bill/Resolution No.:	1510	Committee Re			Date:	100
	1569			, FIN	2/9	122
☐ 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)						
ECD Members			Ayes	Ayes (WI	R) Nays	Excused
1. QUINLAN, Sean (C)			$\sqrt{}$			
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2. HOLT, Daniel (VC)			J			
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3. BELATTI, Della Au			<i>J</i>			
A YZODATY STILL						
4. KOBAYASHI, Dale	l.					
5. ONISHI, Richard H.l	<u> </u>	<u></u>				
5. Origin, Mchard II.	*			V		
6. SAYAMA, Jackson D).			orkonin struturu i kiran i i iba i iba i iba i iba	t a source an eniral sur a annabella m	
7. TAKAYAMA, Gregg	:)		<u></u>			and the second of the second o
8. OKIMOTO, Val			J			
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TOTAL	(8)		7		O	0
The recommendation is:						
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						
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