

STAND. COM. REP. NO.

162

Honolulu, Hawaii

FEB 08 , 2023

RE: H.B. No. 400
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 400 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish:

- (1) An employer-provided or -sponsored child care income tax credit for employers that provide or sponsor child care as an employee benefit; and
- (2) An employer child care property income tax credit for the purchase or acquisition of child care property by an employer for employer-provided child care.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Maui Chamber of Commerce, and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the lack of child care in Hawaii, along with its cost skyrocketing in recent years, is keeping many people out of the workforce. Your Committee further finds that employers in the State provide resources to employees that help them live their day to day lives, including paid time off and



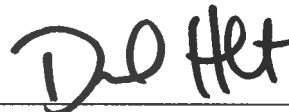
health care. This measure would incentivize employers to provide child care as an additional benefit to employees, thereby drawing more people back into the workforce and reducing the financial burden on workers in supporting their families.

Your Committee has amended this measure by:

- (1) Changing its effective date to June 30, 3000, to encourage further discussion; 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 Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 400, H.D. 1, and be referred to your Committee on Finance.

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



DANIEL HOLT, Chair



