

, 2023

Honolulu, Hawaii

FEB 08

RE: H.B. No. 493

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. 493 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 brackets and credit amounts of the refundable food/excise tax credit.

Your Committee received testimony in support of this measure from Hawaii Children's Action Network Speaks!, Hawai'i Health & Harm Reduction Center, and three 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 has the highest cost of living in the nation, with one of the main contributing factors being the high cost of food in the State. Your Committee further finds that Hawaii places one of the highest tax burdens on lowincome 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.

Your Committee has amended this measure by changing its effective date to June 30, 3000, to encourage further discussion.

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. 493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 493, 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

State of Hawaii House of Representatives The Thirty-second Legislature

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Record of Votes of the Committee on Economic Development

Bill/Resolution No.:			Date: 2 1 20 0 2		
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 (WR)	Nays	Excused	
1. HOLT, Daniel (C)					
2. LAMOSAO, Rachele F. (VC)					
3. HUSSEY-BURDICK, Natalia					
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4. KONG, Sam Satoru					
				DARK STUDENT	
5. NAKAMURA, Nadine K.			NO NO RESIDENCE DE LA COMPANSIONE DEL COMPANSIONE DE LA COMPANSION		
	Marke Marketing				
6. QUINLAN, Sean	DESCRIPTION OF THE PROPERTY OF		venostalas.		
7. PIERICK, Elijah					
7. TERICK, Enjan					
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TOTAL (7)	6	8	H	1	
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					