

Honolulu, Hawaii

, 2024

FEB 12

RE: H.B. No. 1776
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1776 entitled:

"A BILL FOR AN ACT RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to increase a taxpayer's applicable percentage of employment-related expenses that may be claimed for the household and dependent care services tax credit.

Your Committee received testimony in support of this measure from the Office of the Governor; Hawai'i Association of School Psychologists; Catholic Charities Hawai'i; Aloha United Way; Hawai'i State Coalition Against Domestic Violence; Democratic Party of Hawai'i Education Caucus; Democratic Party of Hawai'i; Imua Alliance; Hawai'i Children's Action Network Speaks!; AARP Hawai'i; Hawaii State Democratic Women's Caucus; and numerous individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that child and dependent care remain one of the largest cost burdens for Hawaii families after housing. Your Committee further finds that the household and dependent care



services tax credit plays a vital role in supporting working families by helping to offset the expenses associated with child care, elder care, and other dependent care services. Your Committee believes that this measure would provide financial relief for working families by amending the tax credit to increase the percentage of child and dependent care expenses for which the credit may be applied.

Your Committee has amended this measure by:

- (1) Amending the calculation for the cost-of-living adjustment factor;
- (2) Amending the annual threshold amount recalculation by increasing the applicable percentage of employment-related expenses that may be claimed by taxpayers for credit purposes;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1776, H.D. 1, and be referred to your Committee on Finance.

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



LISA MARTEN, Chair



Record of Votes of the Committee on Human Services

Bill/Resolution No.: HB1776	Committee Referral: HUS, FIN	Date: 02.01.2024
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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)

HUS Members	Ayes	Ayes (WR)	Nays	Excused
1. MARTEN, Lisa (C)	∅			
2. AMATO, Terez (VC)	∅			
3. BELATTI, Della Au	∅			
4. ILAGAN, Greggor	∅			
5. KOBAYASHI, Bertrand	∅			
6. TAKENOUCHI, Jenna	∅			
7. NISHIMOTO, Scott Y.	∅			
8. GARCIA, Diamond	∅			
TOTAL (8)	8	∅	∅	∅

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: [Signature]

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