

Honolulu, Hawaii

MAR 01, 2024

RE: H.B. No. 1776
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1776, H.D. 1, 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 for five years.

Your Committee received testimony in support of this measure from AARP Hawai'i; Catholic Charities Hawai'i; Hawai'i Children's Action Network Speaks!; Democratic Party of Hawai'i; Democratic Party of Hawai'i Education Caucus; Imua Alliance; Chamber of Sustainable Commerce; Save Medicaid Hawaii; and eight individuals. Your Committee received comments on this measure from the Office of the Governor; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Removing the cost-of-living adjustment factor for the annual threshold amount;



- (2) Changing the applicable percentage of employment-related expenses that may be claimed by taxpayers for credit purposes to an unspecified percentage;
- (3) Changing the adjusted gross income overage and annual threshold amounts used to calculate the applicable percentage to unspecified amounts; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1776, H.D. 2.

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



KYLE T. YAMASHITA, Chair



