## STAND. COM. REP. NO.

Honolulu, Hawaii FEB 08 / 2023

RE: H.B. No. 233 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. 233 entitled:

"A BILL FOR AN ACT RELATING TO A CHILD TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to establish a refundable child tax credit for Hawaii's working families, to be payable on a monthly basis.

Your Committee received testimony in support of this measure from Malama Kaua'i, Catholic Charities Hawai'i, Early Childhood Action Strategy, Americans for Democratic Action, Hawai'i Children's Action Network Speaks!, Holomua Collective, Hawai'i Alliance for Progressive Action, Democratic Party of Hawai'i Education Caucus, Imua Alliance, Hawaiian Host Group, Title Guaranty of Hawai'i, HPM Building Supply, Hawai'i Health & Harm Reduction Center, aio, Hawaii Appleseed Center for Law & Economic Justice, Hawai'i Workers Center, Our Revolution Hawaii, Hawai'i Community Foundation, Hawai'i Gas, and six 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 investing in the well-being of Hawaii's children is essential to the creation of a prosperous and



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sustainable future. To address child poverty nationwide, the American Rescue Plan Act of 2021 increased the federal child tax credit from \$2,000 to \$3,600 for qualifying children under age six, and to \$3,000 for other qualifying children under age eighteen, while allowing the credit to be distributed to qualifying taxpayers on a monthly basis.

Your Committee notes that the provisions of the American Rescue Plan expired at the end of 2021. To maintain a robust child tax credit, twelve jurisdictions have enacted a state child tax credit. This measure seeks to also establish a child tax credit in the State for Hawaii's working families.

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. 233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 233, 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



## **Record of Votes of the Committee on Economic Development**

Bill/Resolution No.: HB233	Committee Referral: ECD, FIN			Date: 232023		
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 Meml	bers	Ayes	Ayes (WR)	Nays	Excused	
1. HOLT, Daniel (C)						
2. LAMOSAO, Rachele F	'. (VC)	1				
3. HUSSEY-BURDICK, N	Natalia					
4. KONG, Sam Satoru		-				
5. NAKAMURA, Nadine	К.					
6. QUINLAN, Sean		/		SHE OF		
7. PIERICK, Elijah						
TOTAL (7)		(1	A	Ð	1	
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature: Kalkh Mark						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						