



HB1776 HD2

RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT Senate Committee on Health and Human Services

March 15, 2024

1:00 PM

Conference Room 225

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB1776 HD2**, which would amend 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. This legislation would provide important benefits for many Hawaiian families who grapple with the formidable challenge of accessing affordable child care.

The escalating cost of full-time child care in Hawai‘i, presently exceeding \$13,000 per annum per child for families, creates a formidable barrier to economic stability and advancement, especially for Native Hawaiian families. The ability to afford child care isn't merely a convenience; it's a cornerstone for parents striving to secure steady employment, pursue educational endeavors, and contribute meaningfully to the economic prosperity of their families. By amending Section 235-55.6 of the Hawai‘i Revised Statutes, this proposed legislation directly addresses the financial strain confronting many Native Hawaiian families, enabling them to access high-quality child care while pursuing gainful employment, all without compromising the well-being of their children.

Further, HB1776 HD2 aligns with the Office of Hawaiian Affairs' strategic plan, Mana i Maui Ola. Our strategic plan is rooted in the importance of ‘Ohana (family), Mo‘omeheu (culture), and ‘Āina (land and water) as foundational pillars impacting the well-being of Native Hawaiians. These pillars align and support the four directions of our strategic plan: educational pathways, health outcomes, quality housing, and economic stability. In developing Mana i Maui Ola, one critical need that our community identified was their ability to provide high-quality keiki and kūpuna care.

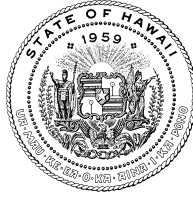
This measure directly addresses the ‘ohana pillar while supporting one of our four directions: economic stability. By offering tax credits for household and dependent care services, the legislation acknowledges and supports the economic needs of Native Hawaiian families, who face significant costs associated with care. By augmenting the



HB1776 HD2
RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT
Senate Committee on Health and Human Services

percentage of child and dependent care expenses eligible for tax credit application, this legislation better aligns the original intent of Act 163, Session Laws of Hawaii 2023 and honors the legislature's commitment to provide substantive financial relief to working families. By broadening access to tax credits for household and dependent care services, this legislation not only acknowledges but actively supports the diverse needs of Native Hawaiian families, thereby fostering economic equity and opportunity for all.

OHA urges the committee to **PASS HB1776 HD2** and address the pressing need for affordable child care in Hawai'i. This legislation will empower Native Hawaiian families to pursue gainful employment, support their children's academic and social development, and contribute to the overall well-being of their communities. Mahalo for opportunity to testify and for your attention to this important issue.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Health and Human Services

Friday, March 15, 2024

1:00 p.m.

State Capitol, Conference Room 225 and Videoconference

In Support of Intent

H.B. No. 1776 H.D. 2 Relating to the Household and Dependent Care Services Tax Credit

Chair San Buenaventura, Vice Chair Aquino, and members of the Senate Committee on Health and Human Services:

The Office of the Governor supports the intent of H.B. No. 1776 H.D. 2, Relating to the Household and Dependent Care Services Tax Credit. This bill increases the taxpayer's applicable percentage of employment-related expenses that may be claimed for the household and dependent care services tax credit for five years. Sunsets June 30, 2029. Effective date July 1, 3000. (HD2).

The Governor is in strong support of proposals that would be directed at helping Asset Limited, Income Constrained, Employed (ALICE) households. With our recent rises in inflation many families are struggling. As such, the relief proposed in this bill would be a welcome approach.

The Office of the Governor prefers the language on H.B. No. 2404 H.D. 1 (administration bill) Relating to Income Tax as we feel the administration bill is more comprehensive and extensive. H.B. No. 2404 H.D. 1 will not only provide support for working families paying for daycare, babysitting, summer camps, after-school care, and dependent care and provide relief for working families and help reduce the choice families may face in deciding whether to start a family or invest in a career, but H.B. 2404 H.D. 1 provides a one-time adjustment to tax brackets to offset inflation.

Hawai'i has the highest cost of living in the country at nearly twice the national average and our high cost of living is hurting families and individuals and our community well-being. The high cost of living in the State has made it extremely difficult for working families to afford necessities.

Thank you for the opportunity to provide testimony on this measure.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1776, H.D. 2, Relating to the Household and Dependent Care Services Tax Credit.

BEFORE THE:

Senate Committee on Health and Human Services

DATE: Friday, March 15, 2024
TIME: 1:00 p.m.
LOCATION: State Capitol, Room 225

Chair San Buenaventura, Vice-Chair Aquino, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding H.B. 1776, H.D. 2, for your consideration.

H.B. 1776, H.D. 2, amends the household and dependent care services tax credit under section 235-55.6, Hawaii Revised Statutes, by increasing the applicable percentage of employment-related expenses that may be claimed by taxpayers for credit purposes. The current applicable percentages based on income brackets would be replaced with a single undetermined percentage, reduced by an undetermined percentage if the taxpayer's income exceeds an undetermined threshold amount.

The bill also adds a provision to the credit instituting disallowance periods of ten taxable years for an administrative or judicial decision that the taxpayer's claim was fraudulent, and two taxable years for an administrative or judicial decision to disallow the taxpayer's claim for credit. This measure has a defective effective date of July 1, 3000 and would apply to taxable years beginning after December 31, 2023, and repeal on June 30, 2029.

The Department notes that if the Legislature wishes to expand the household and dependent care services tax credit, the Department prefers the more

comprehensive changes proposed by H.B. 2404, an Administration measure.

The Department further notes that if a functional effective date is inserted into the bill, the Department would be able to administer the changes in this bill for taxable years beginning after December 31, 2023.

Thank you for the opportunity to provide comments on this measure.



COMMITTEE ON HEALTH HUMAN SERVICES

BILL HB1776 HD2
POSITION: SUPPORT

Hearing Date: March 15, 2024, 1pm, Room 225

Aloha Chair Buenaventura, Vice Chair Aquino, and Committee Members:

Aloha United Way supports HB1776 HD2, which increases 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.

Child and dependent care remain one of the largest cost burdens for Hawai'i families after housing, and yet without affordable childcare, parents and guardians face huge barriers to joining or re-joining the workforce. Hawai'i already has the highest cost of living in the nation and is facing a critical worker shortage that impacts our economy and future. We strongly urge you to pass this bill to provide support for Hawaii's working families, including ALICE households.

ALICE stands for Asset Limited, Income Constrained, Employed, and refers to households who are employed but whose incomes are not sufficient to meet their basic costs. According to our 2022 report an estimated **44% of Hawaii's households are ALICE households**, with an increasing number falling into poverty. Most ALICE households, 54%, have children that require care at cost to families.

Tax credits like HB1776 HD2 have been shown to be an effective tool to decrease poverty and stabilize families. This tax credit will go a long way to helping ALICE families continue to live and work in Hawaii, to rejoin the workforce, and make child and dependent care more affordable, and will return a meaningful amount of money back to working families to cover increasing childcare, housing, and food costs.

Thank you for the opportunity to testify and for your action to support ALICE families and the non-profit programs working to improve financial stability in Hawaii. We urge you to pass HB1776 HD2.

Sincerely,

Handwritten signature of Suzanne Skjold in cursive.

Suzanne Skjold
Chief Operating Officer
Aloha United Way

Handwritten signature of Adam Reeder in cursive.

Adam Reeder
Manager, Safety Net
Aloha United Way

To: Senate Committee on Health and Human Services
Re: **HB 1776 HD2 – Relating to the Household and Dependent Care Services Tax Credit**
Hawai'i State Capitol & Via Videoconference
March 15, 2024, 1:00 PM

Dear Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 1776 HD2**. This bill increases 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.

This bill would help working families make ends meet and stay in Hawai'i. Nearly half of children in Hawai'i live in households experiencing financial hardship. While almost 1 in 8 are in poverty, an additional 1 in 3 aren't officially poor but still don't earn enough to afford the basic life essentials.¹

That's where tax credits come in. They help people keep more of their hard-earned money, and when targeted for lower- to middle-income families, help reduce financial hardship.

A main source of financial hardship is the skyrocketing cost of child and dependent care in Hawai'i. With the median cost of preschool exceeding \$13,000 per year,² families need more support. **The Child and Dependent Care Tax Credit (CDCTC) was created to provide such support, but it needs to be improved to ensure that it truly reflects the economic reality of working families.**

Last year, you and your fellow lawmakers took an important first step to boost the CDCTC. The maximum *amount* that taxpayers can claim for child and dependent care expenses was increased from \$2,400 to \$10,000 for one dependent, and from \$4,800 to \$20,000 for two or more dependents.

To allow more working families to benefit from the increase that lawmakers passed last session, we also need to increase the *percent* of care expenses that can be claimed with the CDCTC. The current cap limits the credit to 25% of care expenses for those earning less than \$25,000 per year, stepping down to 15% for those earning more than \$50,000.

The original version of this bill would raise the cap to as much as 50% of care expenses for those earning less than \$150,000, stepping down to 25% for those earning over \$225,000. That would enable more families to access the new higher amounts of the credit that you passed last year.

Please see the chart below, which shows how much the original version of this bill would help different types of families in our state:

¹ <https://www.auw.org/sites/default/files/pictures/ALICE-in-Focus-Children-Hawaii%20%283%29.pdf>

² <https://www.dol.gov/agencies/wb/topics/childcare/price-by-age-care-setting>

HOW HB1776 WOULD HELP HAWAI'I FAMILIES PAY FOR CHILDCARE				
Type of family	Single parent with 1 child	Single parent with 2 children	Married with 1 child	Married with 2 children
Income level	Minimum wage	Median family income ³	2 Adults at Minimum Wage	ALICE Survival Budget ⁴
Annual Income	\$29,120	\$71,919	\$58,240	\$85,812
Preschool tuition	\$13,842 ⁵	\$27,684	\$13,842	\$27,684
Parents' co-pay ⁶	\$1,165	\$27,684	\$5,242	\$20,000
Current tax credit amount	\$280	\$3,000	\$786	\$3,000
New tax credit amount	\$582	\$10,000	\$2,621	\$10,000
Difference	\$303	\$7,000	\$1,835	\$7,000

As you can see in the chart above, our state already provides subsidies for the lowest-income families, resulting in relatively low childcare co-payments for those parents. However, middle-income families, including those who are at the ALICE survival budget level, don't qualify for those subsidies, so the improvement of the CDCTC as proposed by this bill would especially help them.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo
 Director of Research and Economic Policy

³ https://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2022.pdf

⁴ https://www.auw.org/sites/default/files/pictures/23UFA_Report_Hawaii_4.7.23_FINAL%20%283%29.pdf

⁵ <https://www.dol.gov/agencies/wb/topics/childcare/price-by-age-care-setting>

⁶ <https://humanservices.hawaii.gov/bessd/files/2021/09/Child-Care-Gross-Income-Eligibility-Limits-and-Sliding-Fee-Scale.pdf>



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1776 HD2: RE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT

TO: Senate Committee on Health and Human Services
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Friday, 3/15/24; 1:00 PM; via Videoconference or Room 225**

Chair San Buenaventura, Vice Chair Aquino, and Members, Committee on Health and Human Services:

Thank you for the opportunity to provide testimony in **Support of HB 1776 HD2**, which increases a taxpayer's applicable percentage of employment-related expenses that may be claimed for the household and dependent care services tax credit for 5 years. I am Rob Van Tassell with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 years. CCH has programs serving elders, children, families, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawai'i. This bill is one of our economic justice priorities.

This bill is an important addition to a tax credit that will help many more families than a similar bill in 2023. At that time, the Legislature estimated that the 2023 bill would provide \$47,000,000 in tax relief. Unfortunately, the Department of Taxation later estimated the cost of the provisions of Act 163 relating to the household and dependent care services tax credit at only about \$9,500,000. This bill would increase the percentage of claimable expenses. This will allow many more struggling taxpayers to benefit from this tax credit.

Child and dependent care are one of the largest cost burdens for Hawai'i families after housing. Many of the most impacted families in Hawai'i are the working poor as well as the ALICE population. They are working hard, often with more than one job, but due to our high cost of living, they struggle to make ends meet. This tax credit will help with the child care they must pay in order to work. The tax credit for dependent care services also will assist families to continue to take care of their ohana without giving up their jobs to meet these needs. **Finding child care or dependent care services is hard, and paying for them puts a big dent in many families' budgets.**

We urge you to amend this tax credit to fulfill the Legislature's original intent.

If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.





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[Twitter.com/aarphawaii](https://twitter.com/aarphawaii) | facebook.com/aarphawaii

**The State Legislature
Senate Committee on Health and Human Services
Friday, March 15, 2024
Conference Room 225, 1:00 p.m.**

TO: The Honorable Joy San Buenaventura, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 1776 HD 2 Relating to the Household and Dependent Care Services Tax Credit

Aloha Chair San Buenaventura and Members of the Committee:

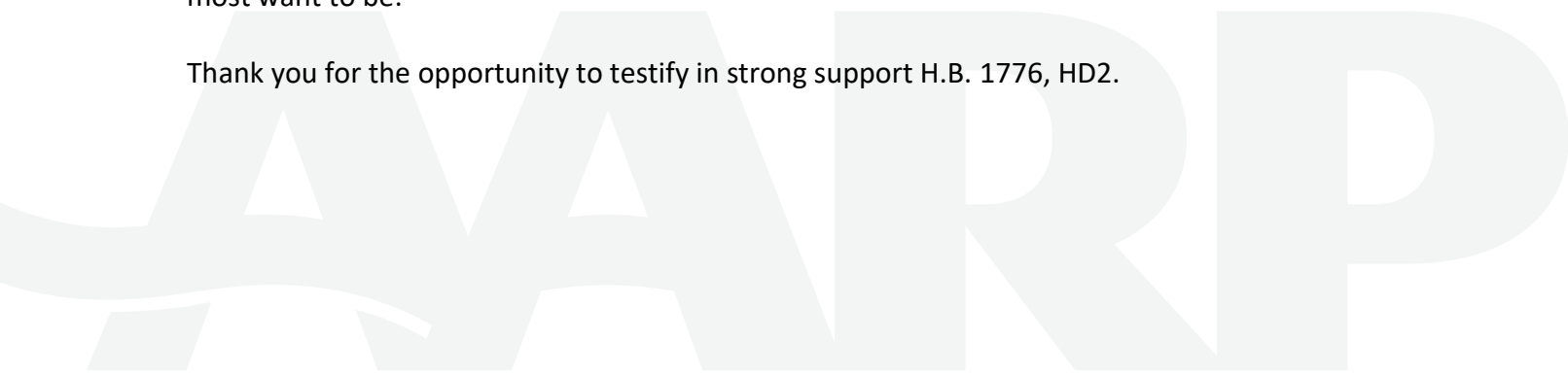
My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals aged 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP is in support of HB. 1776 HD2 which increases the taxpayer's applicable percentage of employment-related expenses that can be claimed for the household and dependent care services tax credit for five years.

AARP supports the efforts in this bill to expand the Child and Dependent Tax Credit. The increase to the existing credit would help to alleviate some of the financial challenges family caregivers in Hawai'i experience when providing care for loved ones while also working. They include adults with disabilities or aging family members who need care and supervision.

Family caregivers do this work often with many physical, emotional, and financial challenges, and often while balancing caregiving with work and other personal responsibilities. On average, family caregivers spend 26% of their income on caregiving activities. Nearly eight in 10 caregivers report having routine out-of-pocket expenses related to looking after their loved one. Increasing the taxpayer percentage of employment-related expenses will be a welcome relief to more working caregivers. This allows them to benefit from needed respite services when they are at work while ensuring their older loved ones can remain in their homes and communities, where most want to be.

Thank you for the opportunity to testify in strong support H.B. 1776, HD2.





COMMITTEE: Senate Committee on Health and Human Services
DATE: Friday, March 15, 2024
TIME: 1:00 p.m.
PLACE: Via Videoconference and Room 225

TO: Senator Joy San Buenaventura, Chair
Senator Henry Aquino, Vice Chair
And members of Senate Committee on Health and Human Services
RE: HB 1776 HD2 Relating to the Household and Dependent Care Services Tax Credit

Chair San Buenaventura, Vice Chair Aquino and members of the Senate Committee on Health and Human Services Committee, the Hawaii State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii's women and girls. The Women's Caucus SUPPORTS HB 1776 HD2 Relating to the Household and Dependent Care Services Tax Credit.

The purpose of this bill is to rectify a discrepancy in Act 163, Session Laws of Hawaii 2023, by amending the tax credit for household and dependent care services to increase the percentage of employment-related expenses that may be claimed for the household and dependent care services.

Women are often the caregivers for children and older adults. In an article published in the *Journal of Cross-Cultural Gerontology* (2022) 37:339–353 (<https://doi.org/10.1007/s10823-022-09462-2>) by Dr. Colette Browne, Dr. Jeanette C. Takamura, and Dr. Jin Young Seo entitled "Global Gender Inequality, Older Women, and the Call for Change in the United States" they state that: "*Worldwide, 606 million women compared to 41 million men were out of the labor force due to meeting caregiving needs (Addati et al., 2018). Across the Organization for Economic Cooperation and Development (OECD) nations, 60% of informal caregivers over the age of 50 are women. If informal carers are employed, they are more likely employed part-time due to the demands of caregiving. Both informal and formal caregiving remain stubbornly feminized throughout girls and women's lives, too often contributing to poverty in caregivers' later years (OECD, 2017; UN 75, 2021).*"

HB 1776 HD2 will be a significant financial help to the women of our state.
Thank you for the opportunity to testify.

Members of Hawaii State Democratic Women's Caucus



**Hawaii
Legislative
Council
Members**

Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair
Committee on Health and Human Services

Joell Edwards
Wainiha Country
Market
Hanalei

Friday, March 15, 2024
1:00 PM, Room 225

Russell Ruderman
Island Naturals
Hilo/Kona

RE: **HB1776 HD2** Dependent Care Tax Credit - **Support w/Amendments**

Dr. Andrew Johnson
Niko Niko Family
Dentistry
Honolulu

Dear Chair San Buenaventura, Vice Chair Aquino & Committee Members,

The Chamber of Sustainable Commerce represents over 100 small businesses across the State that strive for a triple bottom line: people, planet and prosperity; we know Hawaii can strengthen its economy without hurting workers, consumers, communities or the environment.

Robert H. Pahia
Hawaii Taro Farm
Wailuku

This is why we support HB1776 HD2, which should increase a taxpayer's applicable percentage of employment-related expenses that may be claimed for the household and dependent care services tax credit,

with the following amendments:

- 1) Return the cost-of-living adjustment factor for the annual threshold amount as provided in the original version; and**
- 2) remove the 5-year sunset date**

Maile Meyer
Na Mea Hawaii
Honolulu

Too many working families struggle to secure affordable, quality childcare and kupuna care; they are unable to return to the workforce and contribute to a vibrant economy. When employers look around and say, "Where did our workforce go; why can't we find anyone to work?" One response is that they are staying home to take care of their keiki and kupuna.

Tina Wildberger
Kihei Ice
Kihei

If an employer offered keiki and kupuna care as a benefit to their employees, the company would be able to deduct this expense and bring down the company's tax payment. When families pay for this expense directly, they should also be able to reduce their tax burden in the same way. For the state, the result is the same: higher workforce productivity means increased General Excise Tax and income tax collection from a broader base.

L. Malu Shizue Miki
Abundant Life
Natural Foods
Hilo

As long as we allow employers to claim the child care they offer to their employees as a tax deduction, we should continue to offer families the same deduction for their direct expenditures; therefore, there should be no sunset date in HB1776.

Kim Coco Iwamoto
Enlightened Energy
Honolulu

Chamber of
Sustainable
Commerce
P.O. Box 22394
Honolulu, HI
96823

HB-1776-HD-2

Submitted on: 3/13/2024 6:00:46 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Doris Matsunaga	Testifying for Save Medicaid Hawaii	Support	Written Testimony Only

Comments:

Save Medicaid Hawaii supports HB 1776 HD2



Senate Committee on Health and Human Services

Hawai'i Alliance for Progressive Action (HAPA) Supports: HB1776 HD2

Friday, March 15, 2024 1:00 p.m. Conference Room 225

Aloha Chair San Buenaventura, Vice Chair Aquino, and Honorable Members of the Committee,

On behalf of the Hawai'i Alliance for Progressive Action, we are writing to express our strong support for HB1776 HD2, which relates to the Household and Dependent Care Services Tax Credit. This legislation proposes to increase the percentage of child and dependent care expenses that people can claim on their taxes, thereby providing much-needed financial relief to families across our state.

The rising costs of childcare and dependent care services present significant challenges for working families in Hawai'i. Many households are burdened with exorbitant expenses associated with caring for their children or dependents, making it increasingly difficult to make ends meet. As an organization dedicated to advocating for the well-being and prosperity of Hawai'i's communities, we recognize the critical importance of addressing these financial challenges faced by families.

HB1776 HD2 offers a pragmatic solution by enhancing the Household and Dependent Care Services Tax Credit, effectively easing the financial strain on families and enabling them to better afford essential care services. By increasing the percentage of child and dependent care expenses eligible for tax credits, this legislation empowers families to allocate their hard-earned resources towards providing quality care for their loved ones without sacrificing their financial stability.

Moreover, the passage of HB1776 HD2 aligns with our organization's values of promoting equity and economic justice. Access to affordable childcare and dependent care services is not only essential for the well-being of families but also crucial for advancing economic opportunities, particularly for women and marginalized communities who disproportionately bear the burden of caregiving responsibilities. By expanding tax credits for these expenses, we can help level the playing field and create a more equitable society where all families have the support they need to thrive.



In conclusion, we urge you to support HB1776 HD2 and prioritize the financial well-being of Hawai'i's families by ensuring the passage of this crucial legislation. By enhancing the Household and Dependent Care Services Tax Credit, we can make meaningful strides towards building a more inclusive and prosperous future for all residents of our state.

Thank you for your attention to this matter, and we look forward to your favorable action on HB1776 HD2.

A handwritten signature in black ink, appearing to read 'Anne Frederick', is positioned above the typed name.

Anne Frederick
Executive Director



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Dear Chair Buenaventura, Vice Chair Aquino, and Members of the Committee,

Thank you for the opportunity to testify on behalf of Hawaii Appleseed in **support** of HB 1776, which would increase the allowed reimbursement percentages for the Household and Dependent Care Services Tax Credit. The financial burden of caring for children and dependents is a significant obstacle to the economic security of Hawaii's families. In 2022, the average cost of center-based infant and toddler care in the state was \$18,912 per year, which is simply unaffordable to working families that are coping with the increasingly high cost of living.

Child care enables parents to pursue careers and provides numerous advantages to children during a critical phase of their development. The first five to six years of a child's life are shown to have a long-term impact on their success when they reach adulthood. Access to high-quality child care and early education result in improved health, higher rates of college graduation, and higher lifetime income.

Despite the substantial benefits associated with child care and early learning programs, securing reliable care remains a challenge for numerous parents, particularly those with low and moderate incomes. Since Hawaii does not have universal child care or preschool programs, local families do not have reliable access to affordable options for their children.

The Household Child and Dependent Care Services Tax Credit (formerly known as the Child and Dependent Care Tax Credit) allows a percentage of a household's annual care costs to be refunded as a tax credit. During the 2023 legislative session, Hawaii lawmakers voted to increase the maximum allotments in HB 1049. However, they did not increase the allowable percentages of reimbursement, which meant that many taxpayers did not receive larger credit amounts.

HB 1776 resolves this issue by increasing the reimbursement percentages, in turn allowing taxpayers to claim larger credit amounts, as was the intent of HB 1049.

Mahalo for your consideration.

HB-1776-HD-2

Submitted on: 3/12/2024 5:37:32 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pelenatita Namoa-Hanusa	Testifying for 'Ohana Leadership Council	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

My name is Pelenatita Namoa-Hanusa. I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

This bill is important to me because families need to make ends meet especially in Hawai'i where the cost of living is outrageous! This can help our future keiki and families thrive and stay in Hawai'i.

Mahalo for the opportunity to submit testimony!



**Testimony to the Senate Committee on Health and Human Services
Friday, March 15, 2024, at 1PM
Conference Room 225**

RE: HB1776 HD2 Relating to Taxation

Aloha Chair Buenaventura, Vice Chair Aquino, and Members of the Committee:

The Chamber of Commerce Hawaii Supports (“The Chamber”) **supports HB1776 HD2**, which amends a taxpayer's applicable percentage of employment-related expenses that may be claimed for the household and dependent care services tax credit.

The Chamber supports legislation that benefits the local community and our quality of life. Hawaii’s high cost of living is a challenge identified by the Chamber’s 2030 Blueprint Hawaii strategic plan to improve economic competitiveness. With the cost of living and childcare on the rise, this measure aims to provide much-needed relief to working families facing the steep financial burden of household and dependent care expenses.

In discussions with our members, reducing financial burdens in addition to promoting equitable access to childcare stands as a high priority. Accessibility to such childcare services is needed for the viability of our workforce. Our business community cannot increase their capacity without such support. Limited access to childcare is one of the challenges that our local workforce faces today and a significant reason for Hawaii’s overall workforce shortage.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

Thank you for this opportunity to testify in support of this measure.



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

MARCH 15, 2024

HB 1776, HD2, RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT

POSITION: SUPPORT

The Democratic Party of Hawaii **supports** HB 1776, HD 2, relating to the household and dependent care services tax credit. Pursuant to the “Economic Justice and Labor” section of the official Democratic Party of Hawaii platform, the party supports “policies that circulate currency through our economy, helping businesses to thrive, including tax policy that lessens the tax burden of low- and middle-income earners and increases the tax burden of high-income earners and the wealthy. We support government investments of tax revenue in community development, government anti-poverty programs, and the transition to a sustainable, green economy.”

The average cost of full-time child care in Hawaii currently exceeds \$13,000 per year for working families. That figure is only getting higher with each passing year, as inflation increases. Thus, the rising cost of child care should be reflected in the income tax credits allowed for expenses for household and dependent care services, which include child care services. Such services facilitate the academic and social development of young children and allow parents to obtain stable employment, thereby increasing the economic well-being of working families.

Act 163, Session Laws of Hawaii 2023 (Act 163) partially strengthened the household and dependent care services tax credit by raising the amount of the

employment-related expenses incurred during any taxable year that may be taken into account for the purposes of the credit. **Yet, Act 163 did not increase the maximum percentage of household and dependent care expenses that may be claimed for the purposes of the tax credit.** Without adjusting the maximum percentage of expenses that taxpayers can claim, the increases to the claimable amounts of the household and dependent care services tax credit provide limited benefit to working families.

Public officials repeatedly stated in local media stories that they intended to provide approximately \$47,000,000 worth of financial relief to working families through the household and dependent care services tax credit under Act 163. The Hawai'i Department of Taxation later estimated the cost of the provisions of Act 163 to be worth only about \$9,500,000 of tax relief. **This discrepancy can be rectified by amending the tax credit to increase the percentage of child and dependent care expenses for which the credit may be applied, thereby fulfilling the legislature's original intent for Act 163.**

Mahalo nui loa,

Kris Coffield

Co-Chair, Legislative Committee
(808) 679-7454
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TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

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SUBJECT: INCOME TAX; Household and Dependent Care Services; Tax Credit

BILL NUMBER: HB 1776 HD 2

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Amends 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.

SYNOPSIS: Amends section 235-55.6, HRS (credit for expenses for household and dependent care services necessary for gainful employment), to change the applicable percentage to [unspecified] % minus one percentage point for each \$[unspecified] or fraction thereof by which the taxpayer's AGI exceeds the threshold amount, with a floor of [unspecified] %. The threshold amount is \$[unspecified] initially (for calendar year 2024).

Also adds a debarment period of: (1) 10 years if the taxpayer's claim for this credit is disallowed due to fraud or (2) 2 years if the taxpayer's claim for this credit is disallowed on another ground.

EFFECTIVE DATE: July 1, 3000; and shall apply to taxable years beginning after December 31, 2023; provided that on June 30, 2029, this Act shall be repealed.

STAFF COMMENTS: While it appears that this measure proposes tax relief to lower income taxpayers, consideration should be given to adjusting the income tax rates or the threshold amounts so those taxpayers that these credits are aimed to help will not need to claim these credits to get tax relief (or forfeit the credits if they fail to do so).

We in Hawaii have several disparate programs and tax credits aimed at poverty relief. This measure adjusts two of them: tax credit allowed to household renters (HRS section 235-55.7) and credit for those with dependent care expenses necessary for gainful employment (HRS section 235-55.6). Other credits that fall into this category are the food/excise tax credit (HRS section 235-55.85) and the earned income tax credit (HRS section 235-55.75). Many of these credits have non-duplication provisions and all have strict time limits on when they may be claimed upon pain of credit forfeiture. Apparently, lawmakers of the past had many different ideas on how to address the problem of poverty in Paradise but couldn't figure out which program to go with, so they adopted them all. The principal disadvantage of this is that people can and do get confused over which credits they can and can't claim, and as a result are exposed to credit disallowance, penalties, and other undesirable consequences. We note that this bill appears to make the two credits affected somewhat more complex than the table lookups provided for in existing law. Woe be to any taxpayer who is attempting to claim either or both of these credits without a computer!

Re: HB 1776 HD 2

Page 2

Now, we simply can't afford tax credits and business as usual. Yes, we need to help those who need it, but the shotgun style used in the past has not produced results. Perhaps a better approach would be lopping off the income tax brackets applicable to lower-income taxpayers and designing ONE credit to encourage social behavior necessary to lift the taxpayer out of poverty.

Digested: 3/12/2024

HB-1776-HD-2

Submitted on: 3/12/2024 3:40:08 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Samonte	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members,

Thank you for the opportunity to submit testimony. I **strongly support** this measure.

Mahalo,
Ryan Samonte

HB-1776-HD-2

Submitted on: 3/12/2024 5:22:02 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessie L Gonsalves	Individual	Support	Written Testimony Only

Comments: Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members, My name is Jessie Gonsalves, I am testifying in support of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit. This bill is important to me because I need it when I was pregnant, had to take off of work to take care of my daughter and when my father had to be medivacced to queens in oahu. Mahalo for the opportunity to submit testimony!

HB-1776-HD-2

Submitted on: 3/12/2024 5:38:37 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Blair	Individual	Support	Written Testimony Only

Comments:

Increase % of child care and dependent care expenses that people can claim on their taxes. This helps families.

HB-1776-HD-2

Submitted on: 3/12/2024 5:44:11 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Erica Yamauchi	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-1776-HD-2

Submitted on: 3/12/2024 5:44:40 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Heidi Ewing	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please accept this urging to support an increase in tax credit for Hawaii families, that are really struggling to make it as prices are shooting up everywhere.
mahalo for your consideration.

HB-1776-HD-2

Submitted on: 3/12/2024 7:20:11 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leah	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

My name is LK. I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

This bill is important to me because it will help my young family thrive.

Mahalo for the opportunity to submit testimony!

HB-1776-HD-2

Submitted on: 3/12/2024 7:41:54 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
ANDREW ISODA	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

My name is Andrew Isoda. I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

This bill is important to me it will help my granddaughter immensely.

Mahalo for the opportunity to submit testimony!

Andrew Isoda
Lahaina, Mau'i

HB-1776-HD-2

Submitted on: 3/12/2024 7:26:40 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Last session, lawmakers took an important first step to boost the Child & Dependent Care Tax Credit by quadrupling the maximum amount that taxpayers can claim for child and dependent care expenses. However, lawmakers did not increase the maximum percent of care expenses that can be claimed. This loophole makes it difficult for families to realize the full value of the credit.

HB1776 HD2 would increase the percentage of claimable expenses, which will allow many more taxpayers to benefit from the increase that lawmakers passed last session. Please pass this measure to support working families and our keiki.

HB-1776-HD-2

Submitted on: 3/12/2024 10:04:01 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Allison Mikuni	Individual	Support	Written Testimony Only

Comments:

I am testifying in **strong support** of bill **HB1776** related to child care tax refund. A child care tax refund will help so many island families who are struggling to make ends meet. Taxpayers raising children are some of the most financially burdened individuals, with less income per capita in the household. While it doesn't come close to covering inflation, even for 2-worker income households, it at least covers a portion, which will provide beneficial relief to most families. Thank you for your consideration.

HB-1776-HD-2

Submitted on: 3/13/2024 6:52:48 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marion McHenry	Individual	Support	Written Testimony Only

Comments:

I strongly support HB1776 because it will help more families in need to benefit from this tax credit. So many families in Hawaii are struggling and this one good way to help them.

Mahalo,

Marion McHenry

Kauai

HB-1776-HD-2

Submitted on: 3/13/2024 7:20:28 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leilani Kailiawa	Individual	Support	Written Testimony Only

Comments:

Send DataSend Data

HB-1776-HD-2

Submitted on: 3/13/2024 9:20:26 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pua Auyong-White	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

This bill is important to me because our tax system is very inequitable. Those with less income pay more taxes than the corporate sector. We need to value and help families who take care of our children and our elderly. --- why not do the right thing?

Mahalo for the opportunity to submit testimony!

HB-1776-HD-2

Submitted on: 3/13/2024 8:18:43 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Erin ODonnell	Individual	Support	Written Testimony Only

Comments:

I support this bill!

HB-1776-HD-2

Submitted on: 3/13/2024 9:39:23 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris Barzman	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

Mahalo for the opportunity to submit testimony!

HB-1776-HD-2

Submitted on: 3/13/2024 9:53:22 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Betsy Scolnik	Individual	Support	Written Testimony Only

Comments:

STRONGLY SUPPORT!!!!!!!!!!!!

HB-1776-HD-2

Submitted on: 3/13/2024 10:12:45 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

Last session, lawmakers took an important first step to boost the Child & Dependent Care Tax Credit by quadrupling the maximum amount that taxpayers can claim for child and dependent care expenses. However, lawmakers did not increase the maximum percent of care expenses that can be claimed. This loophole makes it difficult for families to realize the full value of the credit.

HB1776 HD2 would increase the percentage of claimable expenses, which will allow many more taxpayers to benefit from the increase that lawmakers passed last session. Please pass this measure to support working families and our keiki!

HB-1776-HD-2

Submitted on: 3/13/2024 11:06:19 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark A. Koppel	Individual	Support	Written Testimony Only

Comments:

Writing in strong support of **HB1769 HD2**

Aloha HHS committee members

My name is Mark Koppel, P O Box 283, Hakalau

Family caregivers are the unsung heroes of our care system. They give up their time, money, mental and physical health, and sometimes their jobs, to care for their family.

Without them, these members would be on medicaid and in nursing homes, costing the state millions.

The least we can do for these people is a tax break, as this bill proposes.

Mahalo for your help.

HB-1776-HD-2

Submitted on: 3/13/2024 11:09:16 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patti Hatzistavrakis	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

My name is Patti Hatzistavrakis. I am testifying in **support** of HB1776 RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

This bill is important to me because it allows more working families to benefit from the tax credit, putting more money in families' pockets which could be used for everyday necessities like healthy food, lodging, transportation, and school materials.

Thank you for the opportunity to submit testimony on HB1776 RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT. I appreciate the Committee's consideration.

HB-1776-HD-2

Submitted on: 3/13/2024 2:30:32 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

My name is _____. I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

This bill is important to me.

HB-1776-HD-2

Submitted on: 3/13/2024 2:53:02 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Isis Usborne	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Last session, lawmakers took an important first step to boost the Child & Dependent Care Tax Credit by quadrupling the maximum amount that taxpayers can claim for child and dependent care expenses. However, lawmakers did not increase the maximum percent of care expenses that can be claimed. This loophole makes it difficult for families to realize the full value of the credit.

HB1776 HD2 would increase the percentage of claimable expenses, which will allow many more taxpayers to benefit from the increase that lawmakers passed last session. Please pass this measure to support working families and our keiki!

Mahalo,

- Isis Usborne, 96815

HB-1776-HD-2

Submitted on: 3/13/2024 5:48:17 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kristy Arias	Individual	Support	Written Testimony Only

Comments:

Aloha Senator San Buenaventura, Vice Chair Aquino, and committee members,

My name is Kristy Arias from Hilo, Hawai'i. I am testifying on behalf of bill hb1776 which it would increase the percent of child and dependant care expenses that people can claim on their taxes, ultimately help families financially and allowing more families to take advantage of this tax credit. This bill is important to me because I see so many families struggling and it hurts to see and hear their stories.

Mahalo for your time.

HB-1776-HD-2

Submitted on: 3/14/2024 3:09:49 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Christy MacPherson	Individual	Support	Written Testimony Only

Comments:

I SUPPORT HB1776 HD2.

Mahalo for your consideration.

HB-1776-HD-2

Submitted on: 3/14/2024 8:02:06 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

I am writing to express my strong support for HB1776 HD2, which relates to the Household and Dependent Care Services Tax Credit. This bill addresses a critical need for families across our state by providing much-needed relief for the costs associated with household and dependent care services.

As you are well aware, the financial burden of caring for dependents, such as children, elderly parents, or individuals with disabilities, can be overwhelming for many families. The expenses incurred from accessing quality care services often create significant challenges, impacting families' financial stability and their ability to participate fully in the workforce.

HB1776 HD2 aims to alleviate some of these financial strains by introducing a tax credit for eligible expenses related to household and dependent care services. By providing tax relief to families, this bill not only supports caregivers in meeting the needs of their loved ones but also promotes workforce participation and economic growth.

This legislation is particularly timely given the ongoing challenges presented by the COVID-19 pandemic. Many families have faced increased caregiving responsibilities due to closures of schools and care facilities, exacerbating the financial pressures they already face. HB1776 HD2 represents a proactive and compassionate response to these challenges, offering tangible support to those who need it most.

Furthermore, by incentivizing the use of formal care services, this bill can contribute to the professionalization of the caregiving sector, ensuring that families have access to high-quality care options that meet their needs. This, in turn, can have positive ripple effects on the overall well-being of our communities.

In conclusion, I urge you to support HB1776 HD2 and help alleviate the financial burdens faced by families in our state. By investing in household and dependent care services, we not only support caregivers and their loved ones but also foster a more inclusive and economically vibrant society.

me ke aloha ‘āina,

Nanea Lo, Mō'ili'ili, O'ahu

HB-1776-HD-2

Submitted on: 3/14/2024 8:33:53 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nate Hix	Individual	Support	Written Testimony Only

Comments:

Please fix this loophole.

HB-1776-HD-2

Submitted on: 3/14/2024 9:05:55 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rachel	Individual	Support	Written Testimony Only

Comments:

I respectfully submit testimony in support of HB1776 HD2.

Last session, the legislature took an important first step to boost the Child and Dependent Care Tax Credit. They more than quadrupled the maximum amount that taxpayers can claim for child and dependent care expenses, but they did not increase the maximum percent of care expenses that can be claimed. This loophole makes it difficult for families to realize the full value of the credit. HB1776 HD2 would increase the percentage of claimable expenses, which will allow many more taxpayers to benefit from the increase that lawmakers passed last session.

Survivors of domestic violence face many challenges when making decisions about their safety. One of the most crucial factors is their finances. The ability to provide for themselves and their families is a key economic consideration for survivors when deciding to leave an abusive partner. It's important to recognize the impact that financial abuse can have on survivors and to support them in any way possible, including the ability to take full advantage of tax credits.

Thank you for the opportunity to testify on this important matter.

Rachel Savereux, LCSW



March 15, 2024

Members of the Senate Committee on Health and Human Services:

Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino
Sen. Jarrett Keohokalole
Sen. Maile S.L. Shimabukuro
Sen. Brenton Awa

Re: HB1776 HD2 Relating to the Household and Dependent Care Services Tax Credit

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Senate Committee on Health and Human Services:

The Hawai'i State Coalition Against Domestic Violence (HSCADV) addresses the social, political, and economic impacts of domestic violence on individuals, families, and communities. We are a statewide partnership of domestic violence programs and shelters. On behalf of HSCADV and our 28 member programs statewide, I respectfully submit testimony in **support of HB1776 HD2**.

Last session, the legislature took an important first step to boost the Child and Dependent Care Tax Credit. They more than quadrupled the maximum amount that taxpayers can claim for child and dependent care expenses, but they did not increase the maximum *percent* of care expenses that can be claimed. This loophole makes it difficult for families to realize the full value of the credit. HB1776 HD2 would increase the percentage of claimable expenses, which will allow many more taxpayers to benefit from the increase that lawmakers passed last session.

Survivors of domestic violence face many challenges when making decisions about their safety. One of the most crucial factors is their finances. The ability to provide for themselves and their families is a key economic consideration for survivors when deciding to leave an abusive partner. It's important to recognize the impact that financial abuse can have on survivors and to support them in any way possible, including the ability to take full advantage of tax credits.

Thank you for the opportunity to testify on this important matter.

Sincerely,
Angelina Mercado, Executive Director

HB-1776-HD-2

Submitted on: 3/14/2024 10:28:40 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Deb Marois	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit. With the cost of living so high and so much pressure on families, this measure will help relieve stress and improve well-being. Mahalo for your consideration. Deb Marois, Makawao

HB-1776-HD-2

Submitted on: 3/14/2024 12:06:02 PM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Deb Nehmad	Individual	Support	Written Testimony Only

Comments:

Aloha Chair San Buenaventura, Vice Chair Aquino, and Committee Members,

My name is Deborah Nehmad/ I am testifying in **support** of HB1776, which would increase the percentage of child and dependent care expenses that people can claim on their taxes, ultimately helping families financially and allowing more families to take advantage of this tax credit.

We need to do everything we can to lessen the financial burdens on Hawaii's families.

Please support this important bill

Mahalo

Deb Nehmad

HB-1776-HD-2

Submitted on: 3/13/2024 8:13:51 AM

Testimony for HHS on 3/15/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Mick	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Last session, lawmakers took an important first step to boost the Child & Dependent Care Tax Credit by quadrupling the maximum amount that taxpayers can claim for child and dependent care expenses. However, lawmakers did not increase the maximum percent of care expenses that can be claimed. This loophole makes it difficult for families to realize the full value of the credit.

HB1776 HD2 would increase the percentage of claimable expenses, which will allow many more taxpayers to benefit from the increase that lawmakers passed last session.

Please pass this measure to support working families and our keiki.

Mahalo, Marilyn Mick, Honolulu