

STAND. COM. REP. NO.

163

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,



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DANIEL HOLT, Chair



