

STAND. COM. REP. NO. 1201

Honolulu, Hawaii

MAR 20 2025

RE: H.B. No. 701
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 701, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Family Caregiver Tax Credit for nonpaid family caregivers;
- (2) Require the Department of Taxation to report to the Legislature; and
- (3) Appropriate funds to the Executive Office on Aging to certify claims for the credit.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board, Executive Office on Aging, Policy Advisory Board for Elder Affairs, AARP Hawai'i, Hawaii Primary Care Association, Hawai'i Children's Action Network Speaks!, Alzheimer's Association-Hawaii Chapter, Democratic Party of Hawai'i, Easterseals Hawaii, and fourteen individuals.



Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that family caregivers are the backbone of the long-term care system in the State with approximately 154,000 residents in the State providing unpaid caregiving services for a loved one. Your Committee further finds that nonpaid family caregivers face many physical, emotional, and financial challenges and often balance caregiving with work and other personal responsibilities. Your Committee believes that the demands on family caregivers are not isolated family issues and that the State should assist in the delivery of meaningful support and solutions for those that provide unpaid long-term care services in the State. This measure provides financial relief through the establishment of a Family Caregiver Tax Credit for nonpaid family caregivers to acknowledge their contributions and helps sustain their ability to provide care.

Your Committee notes the testimony of the Department of Taxation that this measure's proposed Family Caregiver Tax Credit would have an annual fiscal impact of \$397.4 million in lost revenue to the State's general fund, calculated based on a maximum nonrefundable Family Caregiver Tax Credit of \$5,000 in any taxable year and a reimbursement rate of one hundred percent of the qualified expenses of the eligible taxpayer.

Your Committee has amended this measure by:

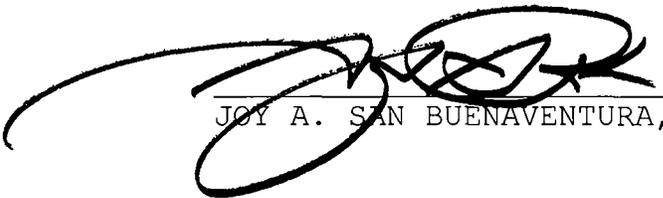
- (1) Deleting language that would have appropriated an unspecified amount of funds to the Executive Office on Aging for fiscal year 2025-2026 for the certification of claims for tax credits under the Family Caregiver Tax Credit;
- (2) Inserting language appropriating an unspecified amount of funds to the Executive Office on Aging for fiscal year 2026-2027 to be allocated as follows:
 - (A) \$100,000 for infrastructure development and implementation of the Family Caregiver Tax Credit; and



- (B) An unspecified amount for the certification of claims for tax credits under the Family Caregiver Tax Credit;
- (3) Inserting an effective date of December 31, 2050, to encourage further discussion;
- (4) Making the Family Caregiver Tax Credit apply to taxable years beginning after December 31, 2026, rather than December 31, 2025; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 701, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 701, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

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

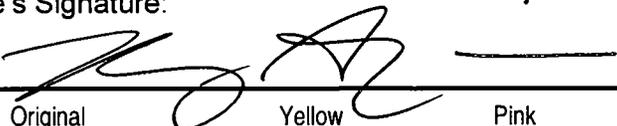


JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:		
HB701 , HD3	HHS , WAM	3/17/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
HASHIMOTO, Troy N.	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes