

HB-701-SD-1

Submitted on: 3/27/2025 11:15:56 AM

Testimony for WAM on 4/1/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
GARY SIMON	Testifying for Policy Advisory Board for Elder Affairs (PABEA)	Support	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Honorable Members of the Senate Committee on Ways and Means:

I am Gary Simon, a member of the Policy Advisory Board for Elder Affairs (PABEA), which is an appointed board tasked with advising the Executive Office on Aging (EOA). My testimony does not represent the views of EOA but of PABEA. Also, I am testifying as an individual who has worked in healthcare for over thirty-five years.

PABEA strongly supports HB 701 HD 3 SD 1, which establishes a Family Caregiver Tax Credit for nonpaid family caregivers; requires the Department of Taxation to submit annual reports to the Legislature; and appropriates funds to the Executive Office on Aging.

The bill will provide financial relief for Hawaii's 154,000 unpaid family caregivers. The tax credit will help defray the thousands of dollars that families spend each year in out-of-pocket caregiver costs.

We urge you to support the family caregiver tax credit for non-paid family caregivers and HB 701 HD 3 SD 1, and we urge you to recommend its passage.

Mahalo for seriously considering the bill.

Gary Simon

PABEA Board Member

Honolulu, Hawaii

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



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

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 701, H.D.3, S.D. 1, Relating to Taxation.

BEFORE THE:

Senate Committee on Ways and Means

DATE: Tuesday, April 1, 2025
TIME: 10:01 a.m.
LOCATION: State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 701, H.D. 3, S.D. 1, for your consideration.

H.B. 701, H.D. 3, S.D. 1, adds a new section to chapter 235, Hawaii Revised Statutes, establishing a new nonrefundable tax credit for eligible unpaid family caregivers. The tax credit would be equal to an unspecified percentage of the taxpayer's qualified expenses, subject to an unspecified maximum cap amount, per taxable year. The credit is limited to one taxpayer per household for a care recipient, per taxable year. Excess credit over income tax liability may be carried forward a maximum of five years from the taxable year that the expenses were incurred.

To be eligible for the credit, a taxpayer must have a federal adjusted gross income of \$75,000 or less (or \$125,000 if filing jointly) and undertake the care, custody, or physical assistance of their relative who is a "care recipient." To set forth criteria for determining credit eligibility, the bill defines "care recipient," "eligible taxpayers," "qualified expenses," "relative," "activity of daily living," and "instrumental activity of daily living."

Expenses that qualify for the credit include accessibility improvements and alterations, the purchase or lease of certain medical equipment and supplies, and other expenses incurred to assist the taxpayer in providing care, such as expenses for home care aides, respite care, adult day care, transportation services, and assistive technology such as alerts and reminders. The Executive Office on Aging (EOA) will certify claims for the tax credit.

The bill will require DOTAX to report no later than 20 days before the start of each legislative session on the number of eligible taxpayers claiming the credit and the credit's cost during the past year.

This bill has a defective effective date of December 31, 2050, and would apply to taxable years beginning after December 31, 2026.

DOTAX will consult with the EOA on this new tax credit, and coordinate on the adoption of forms and rules, and guidance on reasonable supporting documentation.

DOTAX can administer this measure for taxable years beginning after December 31, 2026, as provided in the bill.

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

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE



**STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING**
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

Telephone
(808) 586-0100

Fax
(808) 586-0185

**Testimony in SUPPORT of HB701 HD3, SD1
RELATING TO TAXATION**

COMMITTEE ON WAYS AND MEANS
SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATOR SHARON Y. MORIWAKI, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing: Tuesday, April 1, 2025, 10:01 A.M., Conference Room 211

EOA Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health (DOH) supports this measure and has recommendations for consideration.

Fiscal Implications: Appropriates \$100,000 to the EOA for fiscal year 2026-2027 for infrastructure development and implementation and an unspecified amount for the certification of tax credits.

Purpose: This measure establishes a tax credit for nonpaid family caregivers and requires the Department of Taxation to process those claims, provided the EOA certify the claim for the tax credit. The Act shall apply to taxable years beginning after December 31, 2026.

EOA recognizes the important contribution provided by unpaid caregivers. We support policies that alleviate some of the financial burdens of caregiving. EOA is grateful for the

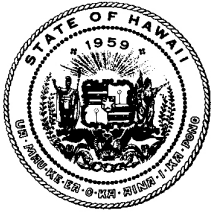
\$100,000 funding appropriation for infrastructure development and implementation and the appropriation for the certification of the tax credit. However, in the SD1 measure the appropriation for the certification of the tax credit is only for fiscal year 2026-2027. If the tax credit is intended to be permanent, EOA will need an appropriation beyond fiscal year 2026-2027 for the ongoing administration of the certification claims.

With appropriate funding, EOA will work with partners such as DoTax and AARP to find a successful approach to the certification of the claims.

Recommendations: EOA supports this measure with the following amendment for your consideration:

- 1) Insert an aggregate cap, possibly \$5 million, on the tax credit. We defer to the legislature's expertise to determine what amount will be fiscally prudent for the State;
and
- 2) Appropriate \$100,000 in future years for the claim certifications.

Thank you for the opportunity to testify.



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

April 1, 2025

TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

House Bill 701 HD3, SD1 – Relating to Taxation

The Disability and Communication Access Board (DCAB) supports House Bill 701 HD3 SD1 – Relating to Taxation, which establishes a Family Caregiver Tax Credit for nonpaid family caregivers. Requires the Department of Taxation to submit annual reports to the Legislature. Appropriates funds to the Executive Office on Aging. Applies to taxable years beginning after 12/31/2026. Effective 12/31/2050. (SD1)

Family caregivers play a critical role in supporting and caring for relatives with disabilities. In addition to the daily care, caregivers manage their relatives' personal finances and/or pay for out-of-pocket caregiving expenses.

A family caregiver tax credit would help alleviate some of the financial burdens and recognizes the increasing need to support caregiving services provided by nonpaid family caregivers.

This bill provides some financial relief for family caregivers and helps to sustain their ability to continue providing care to their loved ones.

DCAB supports the efforts to ease the financial strain on caregivers, as their work is essential to maintaining the health, dignity, and independence for their loved ones with a disability.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW
Executive Director



STATE OF HAWAI'I
KA MOKU'ĀINA O HAWAI'I
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA

PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAI'I 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

April 1, 2025

The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz, and Committee Members:

SUBJECT: HB701 HD3 SD1 Relating to Taxation

The Hawai'i State Council on Developmental Disabilities **supports HB701 HD3 SD1**, which establishes a Family Caregiver Tax Credit for nonpaid family caregivers.

HB701 HD3 SD1 provides essential financial relief to unpaid family caregivers through a Family Caregiver Tax Credit. Many caregivers, particularly those supporting individuals with intellectual or developmental disabilities (I/DD), are unable to work full-time or earn a sustainable income due to their caregiving responsibilities. Despite their critical role in keeping loved ones safe and out of institutional care, they receive little to no financial support.

Family caregivers are an essential backbone of our community. Family members often support people with intellectual and developmental disabilities (I/DD) in their everyday lives. Even individuals who qualify for Medicaid services often receive fewer services as family members are able to provide natural support to the individual. Oftentimes, these natural supports cost family members time and money, and this tax credit could help alleviate financial inequities and hardships caused by providing care for their family members.

Hawai'i has a shortage of caregivers and care providers for the I/DD population, and this measure takes a step forward in supporting our natural support system for our I/DD population, which, without the support, may crumble.

Thank you for the opportunity to submit testimony in **support of HB701 HD3 SD1**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME TAX; Family Caregiver Tax Credit

BILL NUMBER: HB 701 HD 3 SD 1

INTRODUCED BY: Senate Committee on Health & Human Services

EXECUTIVE SUMMARY: Establishes a Family Caregiver Tax Credit for nonpaid family caregivers. Requires the Department of Taxation to submit annual reports to the Legislature. Appropriates funds to the Executive Office on Aging. Applies to taxable years beginning after 12/31/2026.

SYNOPSIS: Adds a new section to chapter 235, HRS, to establish a nonrefundable family caregiver tax credit equal to _____% of “qualified expenses” of the taxpayer, up to a maximum of \$_____ in any taxable year.

An eligible taxpayer may claim the tax credit for every taxable year or part thereof that the eligible taxpayer:

- 1) Provides care to a care recipient during the taxable year,
- 2) Has personally incurred uncompensated expenses directly related to the care of the care recipient, and
- 3) Has not claimed the care recipient as a dependent for the purpose of a tax deduction in the same taxable year.

Only one tax credit shall be claimed in any one taxable year, regardless of the number of care recipients receiving care from the eligible taxpayer.

If the tax credit exceeds the taxpayer’s income tax liability, the excess may be used as a credit against the taxpayer’s income tax liability for 5 subsequent years after qualified expenses are incurred.

Requires the director of taxation to prepare any forms necessary to claim a credit, may require a taxpayer to furnish reasonable information to validate a claim for the credit, and adopt rules pursuant to HRS chapter 91. Requires claims for the credit, including any amended claims, to be filed on or before the end of the twelfth month following the taxable year for which the credit is claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the tax credit. The department of taxation shall report prior to the convening of each regular legislative session, the number of eligible taxpayers claiming the tax credit and the total cost of the tax credit during the past year.

Defines “care recipient” as an individual who: (1) is either a U.S. citizen or qualified alien; (2) does not reside in a long-term care facility, and (3) has impairments of at least two activities of daily living, two instrumental activities of daily living, one activity of daily living and one instrumental activity of daily living, or substantive cognitive impairment requiring substantial

supervision because the individual behaves in a manner that poses a serious health or safety hazard to the individual or another person. The term includes a person with a “disability” as defined in section 515-2, HRS.

Defines “eligible taxpayer” as any relative of a care recipient who 1) has a federal adjusted gross income of \$75,000 or less, or \$125,000 if filing a joint tax return and 2) has undertaken the care, custody, or physical assistance of the care recipient.

Defines “qualified expenses” as out-of-pocket expenses directly incurred by the eligible taxpayer in providing care to a care recipient that have not been reimbursed, credited, paid or otherwise covered by another. Includes but not limited to: (1) The improvement or alteration to the eligible taxpayer’s primary residence to permit the care recipient to live in the residence and remain mobile, safe, and independent, including entrance ramps, safety grab bars by toilets, and the conversion of tubs to accessible showers; (2) The purchase or lease of equipment and supplies, including but not limited to durable medical equipment, incontinent undergarments, and portable commodes, necessary to assist a care recipient in carrying out one or more activities of daily living; and (3) Other paid or incurred expenses by the eligible taxpayer that assists the eligible taxpayer in providing care to a care recipient, such as expenditures related to: (A) Home care aides or chore workers; (B) Respite care; (C) Adult day care or adult day health center services; (D) Personal care attendants; (E) Transportation, including but not limited to para-transit service for non-emergency medical transport; (F) Health care equipment; and (G) Assistive technology, including emergency alert system and voice activated medication dispensers or reminders.

Defines “relative” as a spouse, child, parent, sibling, legal guardian, a reciprocal beneficiary, partner or any other person who is related to a care recipient by blood, marriage, or adoption, including a person who has a hanai or substantial familial relationship to the care recipient.

EFFECTIVE DATE: December 31, 2050 and shall apply to taxable years beginning after December 31, 2026.

STAFF COMMENTS: The bill includes unspecified credit rates and otherwise contains blanks for important information. The bill cannot be scored for revenue gain/loss in its current form, and cannot be vetted properly unless numbers are inserted.

A tax credit currently exists for dependent care expenses necessary for gainful employment (HRS section 235-55.6). One of the challenges for implementing this proposed credit would be to specify the extent (if any) to which expenses will qualify for the existing credit as opposed to the proposed credit. The current bill does not address this issue at all. A policy decision needs to be made as to whether the existing credit will be kept in addition to this one, and if so, the degree of duplication that will be tolerated.

Additionally, a credit would require changes to tax forms and instructions, reprogramming, staff training, and other costs that could be massive in amount compared to the benefit expected to accrue because of the creditable activity.

Digested: 3/27/2025



**Testimony to the Senate Committee on Ways and Means
Tuesday, April 1, 2025; 10:01 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: HOUSE BILL NO. 0701, HOUSE DRAFT 3, SENATE DRAFT 1, RELATING TO TAXATION.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 0701, House Draft 3, Senate Draft 1, RELATING TO TAXATION.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would establish a tax credit for nonpaid family caregivers, and appropriate an unspecified amount of general funds for fiscal year 2026-2027 for the Executive Office on Aging to administer the tax credit.

This measure would take effect on July 1, 2050, and apply to taxable years beginning after December 31, 2026.

The following is an excerpt of a letter to the editor submitted by Kealii Lopez, AARP Executive Director, that appeared in the Honolulu Star Advertiser on March 31, 2023:

“ . . . Family caregivers in Hawaii work tirelessly without pay to keep parents and spouses at home, or out of costly nursing homes. If you are a family caregiver or know someone who is, then you know it takes an emotional toll, but it also has a real financial cost. They sacrifice income, job security, and their savings.

More than three out of every four caregivers pay out of pocket for care-related expenses like equipment, transportation, and home modifications. It adds up fast. On average, family caregivers spend 26% of their income on caregiving activities. Plus, many family caregivers must cut back their work hours or even leave the workforce to care for loved ones, which can create a huge loss in income on top of any existing financial challenges related to caregiving expenses. It also puts their career advancement and retirement savings at risk.

While family caregivers are facing these personal financial burdens, they are saving our state money by keeping their loved ones out of taxpayer-supported nursing facilities. The economic value of unpaid care provided by family caregivers in the U.S. every year is approximately \$600 billion – about the same as the profits of our 20 largest companies combined. . . .”

[See, <https://www.staradvertiser.com/2023/03/31/editorial/island-voices/column-how-do-you-repay-family-caregivers-start-with-a-tax-credit/>]

The HPCA agrees with Ms. Lopez that Hawaii’s family caregivers play an enormous role in protecting and preserving the unique way of life which we all hold so dear. Likewise and more importantly, family caregivers improve the quality of life and health care outcomes of our citizens. Because of this, it is not only fitting, but essential that government does what it can to assist caregivers in this essential responsibility.

Accordingly, the HPCA strongly stands united with AARP and the members of the Kupuna Caucus in support of this measure. We urge your favorable consideration.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



March 27, 2025

Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair

Senator Sharon Y. Moriwaki, Vice Chair

Senators Henry J.C. Aquino, Lynn DeCoite, Brandon J.C. Elefante, Troy N. Hashimoto, Lorraine R. Inouye, Dru Mamo Kanuha, Michelle N. Kidani, Donna Mercado Kim, Chris Lee, Glenn Wakai, and Kurt Fevella, Committee Members

RE: HB 701 RELATING TO TAXATION – SUPPORT

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

I am submitting this letter in support of HB 701 on behalf of Easterseals Hawaii. Easterseals Hawaii served 2,025 Hawaii community members with intellectual and developmental disabilities (I/DD) in 2024. Our purpose is to create a more equitable world where people with I/DD can choose their own path.

HB 701 would establish a tax credit for nonpaid family caregivers to claim for qualified expenses related to the care of an individual with disability. Hawai'i is home to approximately 154,000 family caregivers who provide invaluable, unpaid care to their loved ones with disabilities.¹ In doing so, they bear costs for expenses such as transportation and respite care. These expenses usurp a significant portion of caregiver income, compounding financial burdens caused by Hawai'i's rising cost of living.² Considering such circumstances, this bill would provide much-needed financial relief to families.

Easterseals Hawaii supports HB 701 and respectfully requests your "aye" vote. Mahalo for the opportunity to submit this letter.

A handwritten signature in black ink, appearing to read "Rachel Liebert Lewis".

Rachel Liebert Lewis

Director, Public Policy and Advocacy

Easterseals Hawaii

PublicPolicyAndAdvocacy@eshawaii.org

¹ www.civilbeat.org/2024/03/lawmakers-should-listen-to-constituents-and-support-family-caregivers/#:~:text=AARP%20estimates%20there%20are%20154%2C000,most%20people%20want%20to%20age.

² www.cnn.com/2024/11/03/states-highest-living-cost-realtor-com.html#:~:text=Hawaii%20has%20the%20highest%20cost,and%20expensive%20goods%2C%20expert%20says&text=Realtor.com%20listed%20the%20states%20with%20the%20highest%20cost%20of%20living.&text=The%20most%20expensive%20state%20in,t%20New%20York%20or%20California.

2025 Hawaii
Leadership Board

Testimony to the Senate Committee on Ways and Means
Tuesday, April 1, 10:01 PM
Hawaii State Capitol, Conference Room 211, and Videoconference

RE: HB701 HD3 SD1 – RELATING TO TAXATION

Travis Kikuchi, *Chair*
Senior Vice President
Central Pacific Bank

Lori McCarney, *Immediate*
Past Chair Community
Advocate

Tricia Medeiros, *Past Chair*
Chief Operating Officer
The Plaza Assisted Living

Gina Fujikami, *MD*
The Queen's Medical
Center

Kai Ohashi,
Financial Advisor Edward
Jones

Michael Robinson,
Vice President Hawaii Pacific
Health

Kimberly Soares, *Vice*
President Atlas Insurance

Gino Soquena,
Executive Director
Hawaii Building and
Construction Trade Council

Gordon Takaki, *Past*
President Hawaii Island
Chamber of Commerce

Cary Tanaka,
Past President
Island Insurance
Companies

Caroline Witherspoon,
President Becker
Communications

LJ R. Duenas,
Executive Director
Alzheimer's Association

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Coby Chock, and I am testifying on behalf of the Alzheimer's Association Hawaii Chapter in **STRONG SUPPORT** of HB701 HD3 SD1, which provides a tax credit for family caregivers.

Family caregivers are the backbone of Hawaii's long-term care system. They provide countless hours of care that range from bathing, preparing meals, and escorting loved ones to medical visits. In addition, many caregivers pay for their loved one's care out of their own pocket. The average cost of assisted living with memory care in Hawaii is approximately \$7,036 per month which is substantially higher than the national average. This cost can be a significant financial burden on families.

The number of people living with Alzheimer's disease in Hawaii is 31,200, with 60,000 caregivers providing \$1,907,000,000 in unpaid care. This number is growing. The proposed tax credit would provide much-needed relief for family caregivers, helping them cover expenses such as adult day care fees, medical supplies, transportation, respite care, and other health and personal care services.

As an organization dedicated to supporting individuals and families affected by Alzheimer's disease and other dementias, we understand the critical importance of financial security in ensuring quality care and support. This tax credit would be a small but significant step in recognizing and supporting the invaluable contributions of family caregivers.

Please support these unsung heroes by passing HB 701 HD3 SD1. They all deserve our support.

Mahalo for the opportunity to testify in support! If you have questions, please contact me at 808-451-3410 or ckchock@alz.org



Coby Chock
Director of Public Policy and Advocacy
Alzheimer's Association - Hawaii



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830
1-866-295-7282 | Fax: 808-536-2882
aarp.org/hi | aarphi@aarp.org | twitter.com/AARPHawaii
facebook.com/AARPHawaii

**The State Legislature
Senate Committee on Ways and Means
Tuesday, April 1, 2025
Conference Room 211, 10:01 a.m.**

TO: The Honorable Donovan Dela Cruz, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Strong Support for H.B 701, HD3, SD1 -Relating to Taxation

Aloha Chair Dela Cruz, 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 age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP strongly supports H.B. 701, HD3, SD1 which establishes a refundable tax credit for nonpaid family caregivers. This bill supports family caregivers who make less than \$75,000 (individual) and \$125,000 (married couples) a year, with an annual tax credit for qualifying caregiving tax credits.

Considering the state's fiscal challenges, AARP hopes placing an aggregate cap on the available tax credits will enable the legislature to look more favorably on this legislation at this time. We believe a \$5 million cap is reasonable but understand the legislature will have a better sense of the fiscal impact facing the state. AARP appreciates the legislature consideration of providing tax relief to family caregivers.

Family caregivers are struggling to hold up Hawai'i's fractured and outdated long-term care system by helping their older parents, spouses, and other loved ones remain at home—where they want to be. An estimated 154,000 family caregivers in Hawai'i provide \$2.6 billion of unpaid care.¹ These unpaid heroes manage medications, prepare meals, help with bathing, feeding and dressing, providing transportation to medical appointments, and managing financial and legal matters to care for loved ones and keep them out of costly nursing homes. Many juggle work and caregiving. Others must balance child-care, work, and adult dependent care. Not only does caregiving take an emotional toll, but it also has a real financial cost. Many caregivers sacrifice income, job security, and their savings. Most spend 26% of their income on caregiving, an average of more than \$7,200 a year.¹ More than three out of every four family

caregivers pay out of pocket for care-related expenses like equipment, transportation, and home modifications. It adds up fast.

In a 2024 AARP poll among Hawaii registered voters aged 40 and above, 45% identified as current or former family caregivers. Notably, 90% of these caregivers incur costs to care for a loved one and expressed support for a state income tax credit to alleviate their financial burden.² While we can never fully repay our family caregivers for all they do, the State can begin by offering them a modest tax credit. These caregivers need and deserve our support.

We ask that your committee pass out H.B. 701, HD3, SD1 and enable AARP to continue working with Department of Taxation, Executive Office on Aging and Conferees to finalize the best possible option for a family caregiver tax credit that can provide some level of relief to family caregivers while effectively meeting the state's fiscal challenges.

Thank you very much for the opportunity to testify in **strong support of H.B. 701, HD3,SD1.**

1. Source: AARP Family Caregivers Need Support Fact Sheet

2. Source: 2024 AARP Survey of 1,002 Hawai'i Voters Aged 40-Plus



TESTIMONY IN SUPPORT OF HB701 HD3 SD1, RELATING TO TAXATION

SENATE COMMITTEE ON WAYS & MEANS

April 1, 2025

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Ways & Means Committee:

The Democratic Party of Hawai'i **SUPPORTS** HB701 HD3 SD1, RELATING TO TAXATION. Pursuant to the Platform of the Democratic Party of Hawai'i, the Party endorses policies that make it more accessible for caregivers to provide the quality care that our kūpuna deserve.

This measure will reduce the financial difficulties of a large number of individuals who have chosen to take care of loved ones, all the while managing competing priorities or even through putting their personal lives on hold. This bill, through implementing a tax credit for unpaid caregivers, will offset the out of pocket costs associated with essentials needed to care for our kūpuna and loved ones. This will alleviate the burdens and stressors placed on caregivers, allowing them to have more time and energy to be there for their loved ones.

Mahalo nui loa for the opportunity to testify in Support of HB701 HD3 SD1, RELATING TO TAXATION. Should you have any questions or require further information, please contact the Democratic Party of Hawai'i at legislation@hawaiidemocrats.org.

HB-701-SD-1

Submitted on: 3/30/2025 12:31:39 PM

Testimony for WAM on 4/1/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Merle Minami-Shima	Testifying for AARP Hawaii	Support	Written Testimony Only

Comments:

Chair Dela Cruz,

My name is Merle Minami-Shima and I am in STRONG SUPPORT of HB701, HD3, SD1 which provides a tax credit for family caregivers.

Family caregivers provide a critical role in Hawaii's long term care system. They provide the daily responsibilities needed to care for sick and disabled family members. Many use their own funds to support these services. The average cost per year is \$7,200 which can put a strain on family finances. Providing a tax credit will offer some welcome relief for these caregivers especially if they had to take unpaid leave from their jobs.

When my father became disabled, we were fortunate that my mother could care for him full-time. Unfortunately this took a toll on my mother's health from which she never fully recovered. Had there been a tax credit in place at the time, we could have hired outside help to assist my mother to make things a little easier while she cared for my father.

Mahalo for your consideration of this matter.

Merle Minami-Shima - Wailuku, HI.

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Sheri Strahl, MPH, MBA

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Cameron C. Ward, Esq.

Lucy Wedemeyer

The State Legislature**Senate Committee on Ways and Means**

Tuesday, April 1, 2025

Conference Room 211 & Videoconference, 10:01 AM

To: The Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Committee Members

From: Sheri Strahl, President and CEO, ALS Network

Regarding: HB 701 HD3 SD1

ALS Network is a nonprofit, nonpartisan organization that connects people living with ALS in California and Hawai'i with the resources they need to live a longer, increased quality of life. We connect need with support, questions with answers, thought leaders with new ideas, research to funding, and advocates to challenge the status quo. On behalf of the communities we serve, thank you for the opportunity to testify.

ALS is a devastating fatal disease that robs a person of the ability to move, talk, swallow, and breathe. People diagnosed with ALS are extremely vulnerable as they become unable to work, care for themselves, communicate or engage with others in the community without assistance. Care for people with ALS is complex; disease progression varies widely. Most people diagnosed with ALS remain at home for the duration of care. Approximately 15% of those diagnosed also experience frontotemporal dementia. People with ALS and their caregivers report high degrees of isolation and anxiety.

Most ALS caregivers are already sacrificing their income to provide care – many have reduced work hours or even left their jobs to be full-time caregivers. The result is a double financial hit: lost income and increased expenses. Over the course of an ALS patient's illness (often 2–5 years from diagnosis), a family can exhaust their savings and retirement funds just trying to keep up with care needs. It is not unusual for an ALS family to incur tens of thousands of dollars in uncovered costs, which can be financially devastating.

Hawai'i's family caregivers at large are truly the backbone of our long-term care system. These family caregivers save the state enormous resources by keeping their loved ones out of costly institutional care. While we can never fully repay family caregivers for their priceless contributions, the State can take action to offer them some relief. HB 701 HD3 SD1 is a crucial step in that direction.

In summary, we strongly support HB 701 HD3 SD1 and respectfully ask the committee to pass it. This bill will provide critical financial relief to family caregivers who selflessly dedicate themselves to caring for loved ones with ALS, Alzheimer's, and other debilitating conditions. It will help ease the heavy financial and emotional toll these caregivers bear and enable more of our residents to age or cope with illness at home with dignity. Hawai'i's family caregivers have always answered the call to care – it is time to support them in return.

Thank you for the opportunity to provide testimony on this important measure. We sincerely appreciate your consideration and urge your support for HB 701 HD3 SD1. Mahalo nui loa for your leadership in supporting Hawai'i caregivers.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SR', with a long horizontal flourish extending to the right.

Sheri Strahl, MPH, MBA
President & CEO

To: Senate Committee on Ways and Means
Re: **HB 701 HD3 SD1 – Relating to Taxation**
Hawai'i State Capitol & Via Videoconference
April 1, 2025, 10:01 AM

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB 701 HD3 SD1**. This bill establishes a refundable Family Caregiver Tax Credit for nonpaid family caregivers and requires the Department of Taxation to report to the Legislature before the convening of each Regular Session.

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.

Hawai'i has 154,000 unpaid caregivers for adult family members, providing 144 million hours of care worth \$2.6 billion per year,² and those numbers will continue to increase as our population ages.

This bill would provide a tax credit for expenses incurred by family caregivers to care for a loved one at home. To qualify, taxpayers could earn up to \$75,000 per year for single filers or \$125,000 for married couples.

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

Sincerely,

Nicole Woo
Director of Research and Economic Policy

¹ <https://www.auw.org/about/alice-initiative/alice-reports/>

² <https://www.aarp.org/pri/topics/ltss/family-caregiving/valuing-the-invaluable-2015-update/>

Senate Ways and Means Committee
Testimony on House Bill No. 701, HD3, SD1
Relating to Income Taxes

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee:

My name is Deborah M. Oyakawa, and I was a caregiver for my mother who had dementia. I am in **STRONG SUPPORT** of H.B. 701 HD3. The bill provides a tax credit for unpaid family caregivers that can help ease the financial expenses incurred for their loved one's care.

Due to the stress of being a caregiver, my focus and energy level were taxed and I was not performing well at work. I had to reduce my hours significantly. To supplement my income, I tapped into my retirement plan and eventually drained the funds. I am now in my sixties with no retirement money to help support me.

Family caregivers are the backbone of Hawaii's long term care system. They provide countless hours of care that range from bathing, preparing meals and escorting loved ones for medical visits. They lovingly perform these daily tasks so that their family member can remain in their homes and age in place. In addition, family caregivers often pay out of their own pockets for needed supplies such as incontinent supplies, medications and additional in-home assistance. It is estimated that they spend about \$7,200 annually. Please support these unsung heroes by passing H.B. 701, HD3, SD1.

Mahalo for the opportunity to testify!

Deborah M. Oyakawa
Waikoloa, HI 96738
deboyakawa@gmail.com

Senate Ways and Means Committee
Testimony on House Bill No. 701, HD3,SD1
RELATING TO INCOME TAXATION
April 1, 2025 at 10:01 am
Conference Room 211 & Videoconference

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

My name is Lynnette Sakamoto, and I was caregiver to my mother and father for 13 years with an additional 4 years for my father, a total of 17 years of caregiving. My mother had Parkinsons and had had minor strokes, in the end, breaking her hip in a fall. My father was physically challenged with knee problems and eventually broke his hip in a fall. Mom passed at 94 years and Dad at 98 years.

I AM IN STRONG SUPPORT of HB 701, HD3, SD1. The bill provides a tax credit for unpaid family caregivers that can help ease the financial expenses incurred for their loved ones' care.

My family was fortunate. Between my monthly retirement and Dad's, we were able to survive the unending expenses that inundate caregivers and their families. It was not easy, but I know from some of my friends and family who are now caregivers that there are those who barely scratch out a living for themselves, who are now struggling to buy diapers, bandages, all the items needed to care for their loved ones, with nothing left to pay for caregivers to relieve them for a few hours a week.

In the end, my father ran out of his savings, and I paid for groceries and other necessities out of my income. There are many caregivers today who are doing the same thing. There are far reaching consequences from that even after our loved ones pass, as it affects the caregiver's later life on many levels. And truthfully, I have not even scratched the surface here. It is estimated caregivers spend approximately \$7200 annually.

Family caregivers are the backbone of Hawaii's long term care system. They provide countless hours of care that range from bathing, preparing meals, and escorting loved ones for medical visits. They lovingly perform these daily tasks so that their family members can remain in their homes and age in place. Please pass H.B. 701 HD3,SD1.

Mahalo for the opportunity to testify!

Lynnette Sakamoto
Kailua, Oahu
kaisakamoto@hawaii.rr.com

NOTICE OF HEARING

April 1, 2025

H.B.701, HD3, SD1 - RELATING TO TAXATION

Aloha Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee on Finance. My name is Carol Wakayama and I wish to submit testimony in favor of H.B.701, HD3, SD1.

Volunteer family caregivers come forward to provide help to those they love. Although associated costs - to provide help - can range from hundreds to thousands of dollars, family caregivers currently provide this care without any compensation or tax credits. Family caregivers provide help such as preparing meals, providing hygiene and transportation. It could also be something relatively simple like reading to or talking story with their loved ones.

H.B.701, HD3, SD1 establishes a Family Caregiver Tax Credits for providing family caregiving. If passed, the bill would assist family caregivers to provide care/help to those they love. H.B.701 could also encourage others to provide care - even though they are currently financially unable to provide such help to their loved ones.

For reasons mentioned above, I humbly request that H.B.701, HD3, SD1 be considered for passage. Thank you.

Carol Wakayama
1011 Prospect Street #804
Honolulu, HI 96822
ckwakayama@gmail.com

HB-701-SD-1

Submitted on: 3/28/2025 9:47:11 AM

Testimony for WAM on 4/1/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Katherine Buckovetz	Individual	Support	Written Testimony Only

Comments:

I am Kailua Kona former Caregiver and I strongly support HB701, HD3, SB1 and request the Committee support this bill.

Hawaii has no resources to fully support family caregivers and their needs to help care recipients who often have little to no funds to buy medicine, medical aids, personal items like diapers, food and often utilities. Often the Caregiver has to leave their jobs to support their loved one. The impact is even more critical if they have their own family at home. I quit my job and moved to support each parent that lasted 12 years. I exhausted my savings providing for them.

A Family Caregiver Tax Credit would provide some relief to the Caregiver and their family. You can make a difference to Hawaii families that will impact multigenerational families.

Do the right thing and support this bill this session.

Mahalo nui, Katherine Buckovetz

SENATE COMMITTEE ON WAYS AND MEANS

**Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair**

NOTICE OF DECISION MAKING

Tuesday, April 1, 2025

10:01 AM

Re: HB 701 SD1 RELATING TO TAXATION.

**Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the
Committee:**

**My name is Linda Dorset, a resident of Maui County, and I am in STRONG
SUPPORT of HB 701 SD1. The bill provides a tax credit for unpaid family
caregivers that can help ease some financial burden on caregiving expenses
incurred for the care of a loved one.**

**Family caregivers are the backbone of Hawaii's long term care system. They
provide countless hours of care that range from bathing, preparing meals and
escorting loved ones for medical visits. They lovingly perform these daily
tasks so that the family member can remain in the home and age in place;
but they sacrifice income, job security, and savings. Family caregivers often
pay as much as \$7,200/Year out of their own pockets for needed supplies
such as incontinent supplies, medications, and additional in-home
assistance. It is estimated that there are 154,000 Caregivers giving 144
Million Care Hours/Year which amounts to \$2.6 Billion of Unpaid Labor/Year.
Many must also balance work and caregiving or leave the workforce
altogether.**

**Please support these unsung heroes by passing H.B. 701 SD1. They deserve
this help. We know eventually all of us will be there.**

Mahalo for the opportunity to testify!

**Linda Dorset
Wailuku, Maui**

HB-701-SD-1

Submitted on: 3/30/2025 6:54:13 PM

Testimony for WAM on 4/1/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Sai Peng Tomchak	Individual	Support	Written Testimony Only

Comments:

Testimony on House Bill No. 701,HD3, SD1**RELATING TO TAXATION****Tuesday, April 1, 2025 at 10:00 am****Conference Room 211 & Videoconference****State Capitol****415 South Beretania Street****Chair Dela Cruz, and Members of the Committee:**

My name is Sai Peng Tomchak. I am in **STRONG SUPPORT of HB 701 which provides a tax credit for family caregivers.**

My husband and I are co-caregivers of my mother-in-law, who has severe dementia. Before becoming a caregiver, I never imagined the level of involvement of a caregiver in someone else's life. We take mom to adult daycare, numerous doctor appointments, checkups, lab tests, and even emergency rooms. We spend time on managing her bills, doing her laundry, taking care of her hygienic needs and making sure she has as much as companionship as possible. My husband and I have been taking turns to take paid time off from work for mom. Very fortunately together we managed to take care of mom. However, the expenses for caring of mom have mounted, from daily necessities, doctors, emergency care, medication, adult daycare, transportation, and much more. It is hard to imagine how much more difficult it is for individuals who have to take care of their loved ones alone, without help from spouses or other family members.

HB 701 will provide caretakers with some deserved financial relief. This is as much needed (if not more desperately needed) for caregivers as child tax credits needed by parents. I respectfully ask you to pass this bil

HB-701-SD-1

Submitted on: 3/30/2025 9:36:19 AM

Testimony for WAM on 4/1/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Dan Gardner	Individual	Support	Written Testimony Only

Comments:

Chair Dela Cruz and Members of the Ways and Means Committee. My name is Dan Gardner and I, together with my wife Deborah, are both in strong support of HB701 HD3, SD1 to provide a tax credit for family caregivers. These dedicated family members provide literally unlimited hours - estimated to amount to an average of \$7,200 per year - caring for their family loved ones in need. They are the mainstay of Hawaii's long term care system and truly deserve our strong support. We are counting on your successful efforts to deliver a meaningful tax credit for these vital caregivers. Thank you for the opportunity to provide input on this very critical legislation.

The State Legislature
Senate Committee on Ways and Means
Tuesday, April 1, 2025
Conference Room 211 & Videoconference, 10:01 AM

To: The Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Committee Members

From: Tava Sheck

Aloha, Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Honorable Members of the Senate Committee on Ways and Means.

My name is Tava Sheck, resident of 4873 Elima Way Apt A, Ewa Beach, HI 96706, and I am writing in **strong support** of HB 701 HD3 SD1, which establishes a Family Caregiver Tax Credit for family caregivers.

In 2016, our lives changed forever when my husband was diagnosed with ALS, also known as Lou Gehrig's disease. At that time, my family and I didn't know much about the disease other than that there was no cure and not much we could do. The day the doctor told us he had ALS was one of the hardest days of our lives.

In the beginning, my husband's symptoms were subtle: slurred speech, followed by twitching in his arms, loss of arm strength, and eventually, he became bedridden, relying on a ventilator and tubes for his trachea. I still remember vividly the day he was rushed to the hospital, and we almost lost him. Our day started like any other, as we tried to move him from his bed to his wheelchair. As he stood up, he started laughing, so I gently sat him back down. From there, everything went wrong. He laid back and became unresponsive, his skin pale. Before this, he was able to walk with a lot of assistance, communicate verbally, and move his hands, although the movement was limited. Then, this happened, and he was rushed to the hospital. That first night was the worst of my life.

I remember receiving a call from the hospital, telling me that my husband was being resuscitated again, and they needed to know what I wanted to do. Having to make such a big decision for the love of my life was the hardest thing I've ever faced. But by the grace of God, we overcame that obstacle.

While that was a huge challenge, there are still many more ahead, one of the most pressing being financial struggles. Our household is living on a single income, and it barely covers our bills. On top of that, I continue to care for my husband's needs, while also worrying about the well-being of our children.

Family caregivers across Hawaii provide essential care for loved ones with serious illnesses and disabilities, including ALS. ALS, a diagnosis that is always fatal, changes every aspect of a caregiver's life and the financial strain is staggering. The cost of ALS-related care is estimated at nearly \$200,000 per year for some families, as they reach the later stages of the disease. These expenses, coupled with lost wages, place an overwhelming burden on families.

ALS is a devastating fatal disease that robs a person of the ability to move, talk, swallow, and breathe. People diagnosed with ALS are extremely vulnerable as they become unable to work, care for themselves, communicate or engage with others in the community without assistance. Care for people with ALS is complex; disease progression varies widely. Most people diagnosed with ALS remain at home for the duration of care. Approximately 15% of those diagnosed also experience frontotemporal dementia. People with ALS and their caregivers report high degrees of isolation and anxiety.

By passing HB 701 HD3 SD1 and establishing the Family Caregiver Tax Credit, you will directly help families like mine. You will be investing in keeping our kūpuna and loved ones at home, where they are happier and more comfortable, and you will be honoring the cultural values that make Hawai'i special. None of us ever expects to become a full-time caregiver, but when it happens, it is incredibly reassuring to know that our government cares and is willing to support us in this responsibility.

Please pass HB 701 HD3 SD1 to recognize and support the vital role family caregivers play in our healthcare system and in keeping our loved ones at home.

Mahalo for considering this testimony.

The State Legislature
Senate Committee on Ways and Means
Tuesday, April 1, 2025
Conference Room 211 & Videoconference, 10:01 AM

To: The Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Committee Members

From: Carol Wood

Aloha, Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Honorable Members of the Senate Committee on Ways and Means.

My name is Carol Wood, resident of 92-1268 Makakilo Dr Apt 102 Kapolei, HI 96707, and I am writing in **strong support** of HB 701 HD3 SD1, which establishes a Family Caregiver Tax Credit for family caregivers.

In my experience so far with being a caregiver for my husband I have faced substantial financial obstacles i.e. being able to afford food, utilities, medical equipment, and hospital copays for doctor visits, and medications to help him have a little bit of normalcy and relief from this horrible diagnosis. Having to decide whether a bill, food or medications are more important than the other is exhausting mentally and at times it comes down to that exact situation. We are currently in the stage where we are on purees and trying to find even the simplest foods for him to swallow can be a significantly high cost as we are on a limited monthly income it comes to be even harder. We have tried getting benefits from the state and turned away because our monthly income is too much, but the cost of the care in all to take care of the patient takes every bit of money we get.

Family caregivers across Hawaii provide essential care for loved ones with serious illnesses and disabilities, including ALS. ALS, a diagnosis that is always fatal, changes every aspect of a caregiver's life and the financial strain is staggering. The cost of ALS-related care is estimated at nearly \$200,000 per year for some families, as they reach the later stages of the disease. These expenses, coupled with lost wages, place an overwhelming burden on families.

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Please pass HB 701 HD3 SD1 to recognize and support the vital role family caregivers play in our healthcare system and in keeping our loved ones at home.

Mahalo for considering this testimony.

The State Legislature
Senate Committee on Ways and Means
Tuesday, April 1, 2025
Conference Room 211 & Videoconference, 10:01 AM

To: The Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Committee Members

From: Monalisa Fuimaono

Aloha, Honorable Donovan M. Dela Cruz, Chair, Vice-Chair Moriwaki, and Honorable Members of the Senate Committee on Ways and Means.

My name is Monalisa Fuimaono, resident of 2238 Kaluaopalena St B208 Honolulu, HI 96819, and I am writing in **strong support** of HB 701 HD3 SD1, which establishes a Family Caregiver Tax Credit for family caregivers. I have been a caregiver for my ALS husband for almost 17 years. Living with ALS has drastically changed our lives in many ways. Each day is a challenge taking care of someone with ALS and juggling the many other responsibilities as a mother, wife and caregiver. Over the years, we have been slammed with financial issues as the expenses continue to add up from different needs of an ALS patient. Unable to work and with an income that barely affords living in a state like Hawaii, it becomes a huge burden and stress for myself. Over time, I have felt these effects on my health from the lack of rest and self care, even depression and anxiety. The worries never end! However, hiring a helper/caregiver is not a choice due to financial restraints. With the 24/7 care for my husband, it is critical and a major priority for myself as his spouse and unables me to work outside of our home to provide for my family. Providing care for my husband at home gives him a better quality of life, especially with our growing children giving him hope to live. Therefore, any assistance would deeply be appreciated as we continue to assist our loved ones with our ALS journey.

Family caregivers across Hawaii provide essential care for loved ones with serious illnesses and disabilities, including ALS. ALS, a diagnosis that is always fatal, changes every aspect of a caregiver's life and the financial strain is staggering. The cost of ALS-related care is estimated at nearly \$200,000 per year for some families, as they reach the later stages of the disease. These expenses, coupled with lost wages, place an overwhelming burden on families.

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Mahalo for considering this testimony.