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GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
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STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 3, 2026

TO: The Honorable Representative Lisa Marten, Chair
House Committee on Human Services and Homelessness

FROM: Ryan I. Yamane, Director

SUBJECT: **HB 2010 – RELATING TO TAXATION.**

Hearing: February 5, 2026, Time 9:30 a.m.
Conference Room 329 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure and provides comments. DHS respectfully requests that passage of this bill not result in the reduction or replacement of priorities identified in the executive budget.

This proposed measure seeks to add a surcharge to the state tax code to raise dedicated revenue to fund the state's Medicaid program administered by the DHS Med-QUEST division. The proposal responds to the fiscal impacts of the One Big Beautiful Bill Act (OBBA, or HR1), Public Law 119-21. To pay for federal tax cuts, OBBBA reduces federal benefits and shifts costs to the states on several safety net programs, including reducing federal funding for health coverage for between 19,000 and 38,000 adults in Hawaii.

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

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2010, Relating to Taxation

BEFORE THE:

House Committee on Human Services & Homelessness

DATE: Thursday, February 5, 2026

TIME: 9:30 a.m.

LOCATION: State Capitol, Room 329

Chair Marten, Vice-Chair Olds, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2010 for your consideration.

H.B. 2010 establishes a surcharge on taxable income exceeding \$1,000,000 to provide funding, if approved, for the State Medicaid Program. Section 1 provides the legislature's findings and the purpose of the bill.

Section 2 of the bill amends section 235-51, Hawaii Revised Statutes (HRS), by inserting a new subsection (g) that imposes a surcharge of two percent on taxable income more than \$1,000,000. The surcharge is in addition to the taxes imposed under sections 235-51(a) (taxing joint filers and surviving spouses), (b) (taxing heads of households), and (c) (taxing individuals). The surcharge applies to every taxpayer, regardless of filing status, and is calculated as a separate liability that is added to the "base" tax liability calculated under subsections (a), (b), and (c).

Section 2 of the bill further provides that all revenues collected via the surcharge for a taxable year will be deposited into a subaccount and earmarked for the state's Medicaid program. If the Legislature in the regular session immediately following the taxable year approves, such revenues will be released and expended for the purposes

of funding the state Medicaid program, or, if the legislature does not approve, the revenues will be deposited into the general fund.

The bill is effective upon approval and applies to taxable year beginning after December 31, 2025.

First, DOTAX notes that it would not be able to segregate from the base revenues collected under section 235-51, HRS, from the surcharge revenues collected under this new tax. This would frustrate efforts to determine and deposit surcharge amounts into the new subaccount. To rectify this, DOTAX recommends amending the bill to provide for periodic, set dollar amount appropriations to the state Medicaid program from the general fund.

Second, DOTAX notes that the surcharge is imposed “on the taxable income of every taxpayer filing a return under this *chapter*” (page 20, lines 16 through 20) (emphasis added), but only references sections 235-51(a), (b), and (c) in its language. It is not clear whether the intent of the bill is to impose the surcharge on the taxable income of other types of taxpayers, outside of sections 235-51(a), (b), and (c). For example, the bill does not reference sections 235-51(d) or (e), which impose tax on trusts and corporations, respectively. Sections 235-71 and 235-71.5, dealing with corporate income taxation, are also unaddressed by the bill, though they fall under the same chapter (Chapter 235 – Income Tax Law). DOTAX recommends amending the bill to clarify whether and how the surcharge applies to such taxpayers.

Finally, DOTAX recommends that the effective date of the bill be amended to apply to taxable years beginning after December 31, 2026, to allow sufficient time to prepare forms, make system changes, and inform taxpayers.

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



Rep. Lisa Marten, Chair
Rep. Ikaika Olds, Vice Chair
Committee on Human Services & Homelessness

Thursday, February 5, 2026
9:30AM Conference Room 329

Hawaii Legislative Council Members

Joell Edwards
Wainiha Country Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Honolulu

Tina Wildberger
Kihei Ice
Kihei

L. Malu Shizue Miki
Abundant Life Natural Foods
Hilo

RE: HB2010 - Millionaires Tax to Protect Health & Stability - Strong Support

Dear Chair Marten, Vice Chair Olds, and Members of the Committees,

On behalf of the Chamber of Sustainable Commerce (CSC), we write in support of HB2010 because it advances tax fairness while protecting the health systems and community stability that Hawai'i's economy depends on. The Chamber of Sustainable Commerce represents more than 570 small businesses, sole proprietors and entrepreneurs across Hawai'i committed to a triple bottom line: people, planet and prosperity.

As outlined in the bill's findings, recent federal tax cuts benefiting the highest-income earners have been accompanied by deep reductions and restructuring in federal Medicaid funding, shifting significant costs onto states like Hawai'i. Hawai'i now faces the potential loss of up to \$400 million in federal Medicaid funding and health coverage for tens of thousands of residents—a risk that would strain our hospitals, community health centers, families and businesses.

Hawai'i relies heavily on tax revenues that place a disproportionate burden on working families and small businesses while allowing excess wealth to accumulate at the top. When lower-income households are paying a higher share of their income in taxes than wealthier households, that is not only unfair—it is economically inefficient and unsustainable.

Hawai'i's current tax structure relies heavily on tax revenue that falls hardest on the backs of working families and small businesses, while high-income households contribute a smaller share of their income. As highlighted in recent public reporting, this imbalance limits the state's ability to invest in essential services and exacerbates inequality. HB 2010 takes a targeted and responsible approach by asking those earning over \$1,000,000 annually to contribute a modest surcharge to help stabilize Medicaid funding.

This approach reflects both fiscal responsibility and economic common sense.

Healthy communities support a healthy workforce. Small businesses rely on accessible health care, stable households, and functioning public systems. When Medicaid is underfunded, the costs do not disappear—they show up as uncompensated care, workforce shortages, higher insurance premiums, and increased pressure on local employers.

Importantly, HB 2010 follows a proven model. Similar high-income surcharges have been implemented successfully in other states, such as Massachusetts, generating substantial revenue without causing economic harm or large-scale taxpayer flight. This demonstrates that tax fairness and economic vitality are not in opposition—they are mutually reinforcing.

At its core, HB 2010 affirms a simple principle: those who benefit most from Hawai'i's economy and public infrastructure should help ensure that essential systems remain strong for everyone. This bill protects public health, supports local businesses, and moves Hawai'i toward a more balanced and resilient economy.

Respectfully submitted in strong support. Thank you for your time and consideration.



Protect Democracy Move Forward

www.indivisiblehawaii.org
info@indivisiblehawaii.org

To: Hawai'i State House Committee on Human Services and Homelessness
Re: Testimony in STRONG SUPPORT of HB2007

Dear Chair Marten, Vice Chair Olds, and the Members of Committee,

Members of Indivisible Hawai'i thank you for this opportunity to testify in strong support of HB2010 which would establish a surcharge on taxable income exceeding \$1 million to provide funding, if approved by the Legislature, for the State Medicaid Program.

HB2010 would add a 2% surcharge only on income above \$1 million, increasing tax revenue for Hawai'i by \$71+ million annually. Anyone making under \$1 million would not see any tax increase.

We request an amendment to HB2010 to allocate the additional revenue to general funds. With the rising costs and federal budget cuts, Hawai'i desperately need additional revenue to pay for common good such as:

- Healthcare/Medicaid coverage for 441,000 children and adults
- Building affordable housing units, rental assistance, and homelessness programs
- Free and reduced-price school meals for 78,000 students and SNAP administration for over 163,000 residents
- Education and childcare for 165,000 students

Please pass HB2010. Thank you for your consideration.

Sincerely,
Younhee Overly
Indivisible Hawai'i Working Families Team

The mission of the 14-chapter Indivisible Hawai'i Statewide Network (IHSN) is to protect Hawai'i and democracy by defending civil rights, communities and values, most importantly, Hawai'i's Constitutionally protected spirit of Aloha. In October 2025, IHSN with other partners turned out over 22,000 residents on all major islands to say No Dictators! and to stand up for democracy. This call-to-action was part of Indivisible national's mobilization of more than 7 million across the country as the voice of the people, committed to election integrity and to evolving as a place of equity, opportunity and peace.



Dear Chair Marten, Vice Chair Olds, and Members of the Committee,

Thank you for the opportunity to testify in strong support of establishing a surcharge on income over \$1 million. As an organization dedicated to advancing economic justice, we believe this surcharge is a reasonable, fair way to raise necessary revenue from those most able to contribute, while protecting low- and middle-income families.

Why Hawai‘i needs a surcharge on high incomes

In 2026, Hawai‘i faces serious funding needs for our programs and services, owing to sweeping Medicaid and SNAP cuts that were passed at the federal level in HR 1, in addition to state income tax cuts that were passed in 2024 (Act 46). HB 2010 would ask people making over \$1 million a year to contribute a small portion of their income above that level to the common good, rather than increasing taxes on working families. Estimated revenues would be \$71 million a year with a 2% surcharge, providing a strong source of funds to help fund our state’s Medicaid program.

How the surcharge would work

Under this proposal, a surcharge would apply only to income over \$1 million in a year. For example, if a taxpayer earns \$1.2 million, the surcharge would apply only to the \$200,000 above the \$1 million mark, not to their entire income. A 2% surcharge on that \$200,000 portion would be \$4,000.

This proposal is narrowly focused: it keeps the tax bills for nearly all Hawai‘i residents unchanged while asking a very small share of high-income households—who are already multi-millionaires—to pay slightly more. In fact, the top 1% of taxpayers in the state would only have to pay an additional 0.72% of their income each year due to this tax increase.

Evidence from other states proves that this approach is effective, and it would not cause wealthy residents to flee Hawai‘i. Massachusetts adopted its own “millionaire’s tax” in 2022, and research since then has found that the number of millionaires in the state has actually increased, while their wealth has continued to grow.

Connection to Hawai‘i’s revenue needs

The Legislature has already recognized that new revenue sources are needed in 2026 to address budget shortages. HB 2010 is consistent with this direction: it focuses on taxing those with the greatest ability to pay, with the end goal of balancing our tax system. Furthermore, the funds

would be specifically earmarked for Hawai‘i’s Medicaid program, which is expected to lose hundreds of millions in federal funds over the next several years.

Conclusion

Hawai‘i Appleseed urges the Committee to adopt this high-income earner’s tax with a 2% surcharge, on income above \$1 million per year. Setting the surcharge at this level will raise at least \$71 million annually for Medicaid, while leaving the vast majority of residents unaffected. This money will directly benefit our keiki, kupuna, and other populations that need immediate assistance.

Mahalo for your time, along with your commitment to building a fairer tax system that supports opportunity and economic security for all Hawai‘i residents.



O'ahu Youth Action Board

Est. 2017

Co-Chair
Efren Berrones
Co-Chair
Jean Grey
Vice Chair
Vu Dang
Treasurer
Holli-Jae Macanas
Community Engagement Officer
Koda Daily

February 03, 2026

TESTIMONY IN STRONG SUPPORT OF HB 2010 Relating to Taxation

TO:
House Committee on Human Services & Homelessness
FROM: Efren Berrones- Co-Chair of O'ahu Youth Action Board,
Partners In Care (PIC)

Hearing: Thursday, February 5, 2026, 9:30 AM

Chair Marten, Vice Chair Olds, and Members of the House Committee on Human Services & Homelessness,

Thank you for the opportunity to submit testimony in strong support of HB 2010, Relating to Taxation.

My name is Efren Berrones, and I serve as the Chair of the O'ahu Youth Action Board (OYAB). OYAB is a designated board composed of youth with lived experience of homelessness on O'ahu, advocating for policy changes that directly impact houseless young people. We firmly believe that any decisions affecting us must include our voices, perspectives, and lived experiences.

HB 2010 would establish a surcharge on taxable income exceeding \$1,000,000 to provide funding for the State Medicaid Program. For our young people, Medicaid is not just health insurance—it is access to survival. It is the doctor's visit that catches an untreated infection before it becomes life-threatening. It is the mental health counseling that helps process trauma. It is the substance use treatment that offers a path toward recovery. And now, with the recent expansion of Hawaii's Medicaid program to include housing-related social needs services for individuals who have complex health needs and are homeless Youth.gov, Medicaid has become even more critical to supporting young people as they work toward stability.

But Medicaid only works if it is funded. Right now, the program faces increasing demand and uncertain federal support. HB 2010 ensures that those who have benefited the most from our economy contribute their fair share to maintain and strengthen the safety net that so many of our most vulnerable community members rely on.

Our young people are not asking for a handout—they are asking for a system that ensures everyone can access the health care they need to survive and thrive.

This bill is about fairness. It is about ensuring that we have the resources to meet the needs of our community. And it is about recognizing that health care is not a luxury—it is a right.

We urge you to pass HB 2010 and protect Medicaid funding for Hawai'i's most vulnerable.

Mahalo for your consideration and commitment to Hawai'i's youth.

With Aloha,

Efren Berrones

Efren Berrones
Co-Chair, O'ahu Youth Action Board
efrenb@partnersincareoahu.org



HIPHI Board

May Okihiro, MD, MS

Chair

*John A. Burns School of Medicine,
Department of Pediatrics*

Jennifer José Lo, MD

Vice Chair

Hawai'i Health Partners

Titiimaea Ta'ase, JD

Secretary

Taase Law Office

Jonathan Ching

Kaiser Permanente

Tammy Ho

The Queen's Medical Center

Carissa Holley, MEd

Hale Makua Health Services

Joyce Lee-Ibarra, MS

JLI Consulting

Misty Pacheco, DrPH

University of Hawai'i at Hilo

Dina Shek, JD

*Medical-Legal Partnership
For Children in Hawai'i*

JoAnn Tsark, MPH

*John A. Burns School of Medicine, Native
Hawaiian Research Office*

Danette Wong Tomiyasu, MBA

*Retired, Hawai'i State Department of
Health*

HIPHI Initiatives

*Coalition for a
Tobacco-Free Hawai'i*

*Community-Based Research &
Evaluation*

*Community Health
Worker Initiatives*

Environmental Health

*Hawai'i Climate Change and Health
Working Group*

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

*Kūpuna Collective/Healthy Aging &
Community Living*

Public Health Workforce Development

Date: February 2, 2026

To: Rep. Lisa Marten, Chair
Rep. Ikaika Olds, Vice Chair
Members of the Committee on Human Services and Homelessness

Re: Support for HB 2010, Relating to Taxation

Hrg: February 5, 2026 at 9:30 AM in Conference Room 329

Hawai'i Public Health Institute (HIPHI)¹ **supports HB 2010**, relating to taxation, which establishes a surcharge on taxable income exceeding \$1,000,000 to provide funding, if approved by the legislature, for the State Medicaid Program.

Shrinking Budget Numbers

Hawai'i's health systems are facing fiscal challenges. According to the Department of Business, Economic Development, and Tourism, H.R. 1, enacted by Congress in July of 2025, may trim federal support for Medicaid by more than \$1.2 billion.² Furthermore, state income tax cuts enacted in 2024 under Act 46 are expected to result in more than \$5 billion in lost revenue by 2031.³

An Equitable Approach

This proposal creates a 2% surtax on annual income over \$1 million to generate revenue for Medicaid. According to the most recent data available from the Department of Taxation, Hawai'i has few resident returns in the \$1,000,000+ AGI class. In 2022, only 1,824 resident tax returns reported an AGI of \$1,000,000 and over.⁴ Thus, this measure is narrowly targeted to the highest-income households, while the revenue it generates supports medical benefits for economically vulnerable residents.

A National Movement

This proposal also aligns with approaches taken in other states. In California, for example, major behavioral health investments are supported through the Mental Health Services Act, which is financed by a 1% tax on personal income over \$1

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

² "National Turmoil Is Adding To Hawai'i's Budget Angst", Honolulu Civil Beat, January 2026.

³ "State Rundown 6/6: A Tale of Two Tax Laws", ITEP, June 2024.

⁴ Hawai'i Individual Income Tax Statistics: Tax Year 2022, Department of Taxation, 2024.



million.⁵ Massachusetts applies an additional 4% surtax on income above \$1 million, with the threshold indexed annually.⁶ New Jersey similarly applies a top marginal income tax rate of 10.75% to income exceeding \$1 million.⁷ These examples demonstrate that higher tax treatment of million-dollar incomes is a workable policy approach, particularly when the resulting revenue is dedicated to sustaining essential public systems such as health care for low socioeconomic status populations.

No Proof of Tax Flight

A common concern is that increasing taxes on top incomes will drive out-migration from those earning high incomes. Yet, research examining millionaire and wealth tax policies has found limited migration relative to the revenue gained. Analyses drawing on IRS data reveal that only 2.4% of millionaires move across state lines for any purpose each year, with a 10% increase in a state's top tax rate—far beyond what this measure proposes—equating to a roughly 1% decrease in a state's population of millionaires.⁸

Medicaid funding supports chronic disease prevention, behavioral health, maternal and child wellness, and much more. Accordingly, we urge your committee to pass this bill and deliver the funding required to sustain core health programs for those who need them most.

Mahalo,

A handwritten signature in black ink that reads "Kris Coffield".

Kris Coffield
Policy and Advocacy Associate

⁵ [California Department of Health Care Services](#), 2025.

⁶ [Massachusetts Department of Revenue](#), 2025.

⁷ "New Jersey Budget Deal Advances Equity With Millionaires' Tax and More", Center on Budget and Policy Priorities, October 2020.

⁸ "Do High State Taxes Drive Away Millionaires? Not Really", Forbes, May 2016.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME TAX, Surcharge on High Earners for State Medicaid Program

BILL NUMBER: HB 2010

INTRODUCED BY: GRANDINETTI, AMATO, BELATTI, HUSSEY, ILAGAN, IWAMOTO, KAPELA, KUSCH, OLDS, PERRUSO, POEPOE, SHIMIZU

EXECUTIVE SUMMARY: Establishes a surcharge on taxable income exceeding \$1,000,000 to provide funding, if approved by the Legislature, for the State Medicaid Program.

SYNOPSIS: Amends section 235-51, HRS, to add a surcharge of 2% of taxable income in excess of \$1 million. The surcharge shall apply to the taxable income of every taxpayer, regardless of filing status.

Revenues collected from the surcharge shall be deposited into a subaccount and earmarked for the State Medicaid program. If the Legislature in the regular session immediately following the taxable year approves, by concurrent resolution, the revenues shall be released and expended for funding the State Medicaid program. If the Legislature fails to approve such use, the revenues shall be deposited into general fund.

EFFECTIVE DATE: Taxable years beginning after December 31, 2025.

STAFF COMMENTS: This is a tax hike bill, purely and simply.

The preamble to the bill trying to justify the increases says that federal policy choices have shifted more Medicaid program expenses to the states and have given the wealthiest individuals substantial tax cuts. Thus, it's payback time!

Revenge isn't supposed to last forever, however. These tax increases do. There is no sunset on any of the bill's provisions.

When people are squeezed economically by the cost of living, taxes, and inefficient bureaucracy, they can and do vote with their feet – by getting on planes, for example. To what lengths will we go to chase people out of our state?

This bill, if enacted, will reinforce the image that Hawaii is a poor place to live, work, and invest, underscoring the poor business climate. When our 9%, 10%, and 11% rates were enacted in 2009, the national Tax Foundation was motivated to write:

Taxing High-Income Earners Has Failed Before as Sound Fiscal Policy

The trend may be new, but the policy has been tried before. Through the early 1990s, several states maintained double-digit income tax rates, including California (11% until 1996) and Hawaii (10% until 1998). These rates came down due to a combination of booming tax revenues from all sources, and growing expert

understanding that location decisions of highly mobile entrepreneurs are sensitive to state income tax rates, particularly in the interstate context. To attract and keep good talent, create jobs and drive economic growth, legislators knew that state tax systems had to be competitive with their neighbors.

We still see elements of that today. Even in adopting its millionaires' tax, New York did not let its rate go above neighboring New Jersey, and other states are wary of crossing the 10% psychological barrier. The California Franchise Tax Board has taken pains to deny that their 10.3% top tax rate is in the double digits, referring on their website and on tax forms to a 9.3% top rate and elsewhere noting that there is a 1% surcharge. Now those rates are 9.55% and 10.55% (see Table 1).

If states are still concerned about interstate tax competition, what has really changed? The short answer is priorities. States that adopt new taxes on high-income earners are ones where policymakers are persuaded to ignore concerns about long-term economic growth in favor of a short-term budget fix that avoids deep spending cuts. In New Jersey, while the new millionaires' tax raised revenue for the state and helped reduce a budget shortfall, it reduced the state's overall economic output and harmed its ability to grow during and after the recession.

This is the tradeoff that proponents of taxes on high-income earners usually fail to acknowledge. Yes, such taxes will generally raise revenue in the short term without a sudden exodus of wealthy people fleeing to the state next door, especially in Hawaii. But over the medium term, the taxes will negatively impact location decisions. People expanding old businesses or creating new ones will incorporate the higher cost of doing business into their decision-making, and steer clear of the state. California currently faces an enormous brain drain of dynamic individuals after five years of double-digit income taxes, and it seems that New Jersey may now be seeing the evidence of a brain drain from its millionaires' tax. Hawaii has long been accused of chasing out its best and brightest, and it can only be exacerbating that problem with these new tax rates.

Tax Foundation, *Fiscal Fact No. 169*, at 5 (May 2009) (footnotes omitted) (accessible at <http://taxfoundation.org/sites/taxfoundation.org/files/docs/ff169.pdf>).

To similar effect is a study sponsored by the American Legislative Exchange Council (ALEC), which states:

The free movement of Americans from state to state around the country provides lessons for policymakers on which economic policies cause Americans to “vote with their feet.” Data from 2023 show, once again, that Americans are moving out of states with the highest taxes and most burdensome regulations in favor of states that have embraced free market, limited government policies.

California lost a net of over 338,000 residents to other states from July of 2022 to July of 2023, making it the biggest loser for the third year in a row. For years, an

expanding regulatory regime, highly progressive income taxation, and other economic policies have damaged the state's economy and driven residents away. Unfortunately, the state's residents are unlikely to see any sort of reprieve any time soon as lawmakers in Sacramento continue to enact damaging economic policies like the \$20 per hour minimum wage for fast food workers set to take effect on April 1, 2024. Thus, even though the state has perhaps the most hospitable climate in the nation, poor economic competitiveness has driven Americans to move elsewhere for opportunity.

The loss of residents to other states also means the loss of workers and their incomes, upon which taxes are levied. In 2021, California lost approximately \$21 billion in taxpayer annual adjusted gross income (AGI). The AGI loss is one of several reasons California faces a massive budget deficit entering 2024.

The Golden State's closest competitor in net domestic out-migration was New York, which lost about 217,000 residents to domestic migration according to the Census Bureau. Illinois, New Jersey, Massachusetts, and Maryland come next, having lost about 200,000 residents between them (84,000, 45,000, 39,000, and 31,000 respectively).

Oregon and Washington have historically been beneficiaries of domestic in-migration. The latest data suggest this pair's time as net in-migration states may be over, as both states have experienced net out-migration. Proximity to California is no longer sufficient to lead Americans to move into Oregon, which has some of the highest income tax rates in the nation and one of the most unstable cities in Portland. The Beaver State saw net domestic out-migration of 6,000 in 2023.

Washington has long attracted new residents because it is one of the nine states that imposes no personal income tax (PIT). However, even the absence of income taxes may no longer be sufficient in a state with high regulatory burdens, and it is likely residents seeking refuge elsewhere have read the writing on the wall with the Washington state Supreme Court's decision upholding the new capital gains tax as constitutional (see later in this chapter for more). With states on its eastern flank becoming more and more economically competitive, the Evergreen State lost over 15,000 residents on net in 2023.

Meanwhile, states with pro-growth, limited government policies are continuing to flourish. Having gained 194,000 residents in 2023, Florida continues to be the biggest beneficiary of domestic migration. Texas had the second highest net in-migration, with 186,000 Americans relocating there over the same period. North Carolina, South Carolina, and Tennessee complete the list of the top five states with the biggest gains (97,000, 83,000, and 63,000, respectively). Of these top five, Florida, Texas, and Tennessee have no PIT, while North Carolina's is a flat 4.5%.

American Legislative Exchange Council, *Rich States, Poor States* 2 (16th ed. 2023) (available at <https://www.richstatespoorstates.org/app/uploads/2023/04/2023-16th-Edition-Rich-States-Poor-States.pdf>).

And, of course, the question needs to be asked: Why a tax increase now? Are we truly running out of money? As Kelii Akina of the Grassroot Institute of Hawaii argues, the money is there. Lawmakers just need to look for it. Akina, *Alternatives to 'Pausing' Hawaii's Income Tax Cuts* (Jan. 19, 2026) (available at <https://www.grassrootinstitute.org/2026/01/alternatives-to-pausing-hawaiis-income-tax-cuts/>).

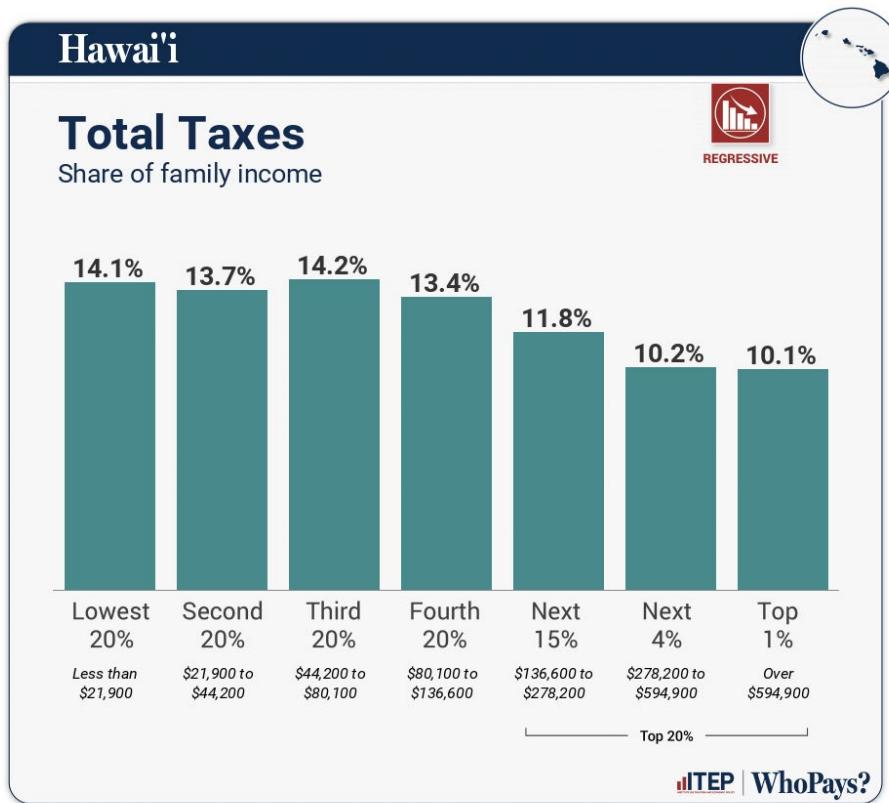
Digested: 2/2/2026

To: House Committee on Human Services & Homelessness
 Re: **HB2010 – Relating to Taxation**
 Hawai'i State Capitol & Via Videoconference
 February 5, 2026, 9:30 AM

Dear Chair Marten, Vice Chair Olds, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB2010**. This bill establishes a surcharge on taxable income exceeding \$1 million to provide funding, if approved by the Legislature, for the State Medicaid Program.

Hawai'i's current state and local tax system is **regressive**, meaning that those with the lowest incomes pay a higher share of their income in taxes than the wealthiest households. According to the Institute on Taxation and Economic Policy (ITEP), Hawai'i's **lowest-income 20% of families pay about 14% of their income in state and local taxes**, while the **top 1% pay only about 10%**.¹



This bill creates a small surcharge on those earning over \$1 million per year, asking the very wealthiest among us to contribute more **without raising taxes on working families**. This tiny subset of Hawai'i taxpayers at the top have benefit disproportionately from recent tax law changes. At the federal level,

¹ <https://itep.org/hawaii-who-pays-7th-edition/>

the top 1% are getting tax breaks of nearly **\$43,000 per year**, while the bottom 20% is getting only about \$90.² At the state level, the top 1% percent is getting tax breaks \$6,000 per year, which will grow to **\$12,000** per year by 2031, while the bottom 20% are getting less than \$500.³

In contrast, recent federal policy changes and funding shifts have placed strain on the state budget and could jeopardize access to health care without new revenue sources. **Medicaid is a vital lifeline for thousands of Hawai'i residents, including more than half of our keiki**, according to the Department of Human Services.⁴ Establishing a dedicated surcharge strengthens funding for Medicaid so that care remains secure and families are not left without essential services.

Fair tax policy ensures that Hawai'i's wealthiest residents contribute proportionately to maintain the quality of life in our communities. This bill does that, by asking more from those with greater ability to pay, while protecting low- and moderate-income individuals from disproportionate tax bills.

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

Thank you,

Nicole Woo

Director of Research and Economic Policy

² <https://hiappleseed.org/blog/incoming-federal-tax-cuts-heavily-favor-wealthiest-hawaii-residents>

³ <https://hiappleseed.org/blog/hawaii-costly-tax-shift-billion-dollar-cut-threatens-public-services>

⁴ <https://humanservices.hawaii.gov/hawaii-expands-medicaid-coverage-to-provide-stable-health-care-for-keiki/>

HB-2010

Submitted on: 2/3/2026 10:34:21 PM

Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai women's caucus	Support	Written Testimony Only

Comments:

The rich get richer off the backs of the working class Let's share the wealth. This small surcharge will hardly be felt by those paying it. More equity is what democracy is about. Strong support for HB2010



2026 Coalition Members

Hawai'i Appleseed Center for
Law & Economic Justice

Hawai'i Children's Action
Network

Hawai'i Health & Harm
Reduction Center

Hawai'i Public Health Institute

Indivisible Hawai'i

IMUA Alliance

hitaxfairness.org

Committee on Human Services and Homelessness

2/5 at 9:30 AM

**RE: Support for House Bill 2010. Establishes a surcharge on
taxable income exceeding \$1,000,000 to provide funding, if
approved by the Legislature, for the State Medicaid Program.**

Dear Chair Marten, Vice Chair Olds, and Members of the Committee,

The Hawai'i Tax Fairness Coalition supports House Bill 2010 because it is a simple, fair way to help fund the things our communities need to thrive. Taxes are how we pay for good schools, health care, housing, food security, and infrastructure that local families rely on every day.

Our shared challenge

Hawai'i is entering a period of serious budget pressure. Federal changes and earlier state tax cuts mean we have less funding for core services—at the very moment working families are dealing with an affordability crisis.

Lawmakers have three options: cut services, borrow and shift costs to future generations, or make our tax system fairer so we can fund our future. HB2010 clearly chooses the third path.

What HB2010 does

HB2010 would place a modest 2 percent surcharge only on the portion of annual income above \$1 million. If someone earns \$1.1 million a year, the surcharge applies only to the \$100,000 over that threshold. This would add \$2,000 in taxes for that year, while the first \$1 million they earn would not have any surcharge.

HB2010 and tax fairness

Tax fairness means those who earn more money should pay higher taxes. HB2010 asks households with over \$1 million in income—those who have benefited most from Hawai‘i’s land, resources, and public infrastructure—to contribute a slightly larger share so working families are not asked to pick up the slack.

The ultra-wealthy will still be ultra-wealthy even if their taxes go up by a few thousand dollars, and the additional revenue from HB2010 will mean better health care systems for our family, friends, and neighbors. It is common sense to make investments in giving local residents the care they deserve, regardless of how much it costs. In the long term, the state will save far more money than it spends by allowing patients to seek medical care before they become chronically or terminally ill.

Investing in Hawai‘i’s future

This surcharge is projected to raise over \$71 million each year, dedicated to supporting Medicaid services that keep our keiki and kūpuna healthy, and our communities resilient.

Rather than embracing harmful austerity or saddling our keiki with more debt down the road, HB2010 uses fair taxation to grow the middle class and strengthen the foundation of a prosperous economy. The Hawai‘i Tax Fairness Coalition urges you to pass HB2010 so that everyone in Hawai‘i can share in a fairer tax system and a more secure future.

Mahalo for the opportunity to testify.



TESTIMONY IN STRONG SUPPORT OF HB2010, RELATING TO TAXATION

HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS

February 5, 2026

To the Honorable Chair and Members of the Committee:

The Democratic Party of Hawai'i **strongly supports HB2010**. Our party has passed resolutions supporting the creation of progressive revenue sources in Hawai'i to support our values, and this bill will create such a source to protect Hawai'i's Medicaid program.

This bill advances sound and equitable tax policy by **lessening the tax burden on low- and middle-income earners while asking those with the greatest ability to pay to contribute more**. A two per cent surcharge applied only to taxable income above \$1,000,000 is narrowly targeted and affects a very small number of taxpayers, while generating meaningful revenue for an essential public service.

At a time when federal policy choices have shifted Medicaid costs to the states, Hawai'i must act responsibly to protect health care access for children, kūpuna, people with disabilities, and working families. This proposal ensures that the burden of maintaining these services does not fall on those already struggling with the high cost of living, but instead is shared more fairly by those who have benefited most from economic growth and federal tax policy.

Progressive revenue measures like this one strengthen our social safety net, promote fiscal stability, and reflect Hawai'i's commitment to fairness and shared responsibility. For these reasons, we urge the Committee to pass this bill.

Mahalo nui loa for the opportunity to testify in strong support of HB2010. Should you have any questions or require further information, please contact the Democratic Party of Hawai'i at legislation@hawaiidemocrats.org.

Feb. 5, 2026, 9:30 a.m.

Hawaii State Capitol
Conference Room 415 and Videoconference

To: House Committee on Human Services & Homelessness

Rep. Lisa Marten, Chair

Rep. Ikaika Olds, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

TESTIMONY IN OPPOSITION TO HB2010 — RELATING TO TAXATION

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **opposes** [HB2010](#), which would establish a surcharge of 2% on taxable income in excess of \$1,000,000 in order to provide funding for the state Medicaid program.

The intention of this bill might be noble, but a tax hike of this nature poses a threat to the state's economy as a whole. While it might appear to affect only the wealthy, the downstream effects on job growth and opportunity will also impact middle- and lower-class residents.

A 2007 study of California's income tax structure determined that legislated tax increases have a strong contractionary effect on the economy, with much of the negative effect coming through a decline in personal consumption and private domestic investment. The study found that a tax increase equal to 1% of GDP resulted in a 3% decline in GDP after three years.¹

Thus, over the long term, a tax increase on high earners will harm the economy and local businesses. Meanwhile, the residents who would be directly affected by the tax are the ones with the resources to relocate or otherwise minimize its impact on them.

¹ Christina D. Romer and David H. Romer, "[The Macroeconomic Effects of Tax Changes: Estimates Based on a New Measure of Fiscal Shocks](#)," *American Economic Review*, June 2010, p.764.

It would also not be wise to tie healthcare funding to a tax that might drop or fluctuate depending on the rate of outmigration and the vagaries of the economy. To do so creates potential budgetary issues that could threaten the long-term viability of the program.

The bill optimistically cites a similar surcharge in Massachusetts, stating that it has had no ill effects. However, that surcharge took effect in 2023, so it is far too early to fully gauge its overall impact on the economy and business climate.

Instead of attempting to address concerns about Medicaid funding through a tax on high earners, lawmakers should focus on ways to improve the delivery and administration of the Medicaid program in our state.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

HB-2010

Submitted on: 2/2/2026 3:57:45 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
John Bickel	Individual	Support	Written Testimony Only

Comments:

Our tax system is regressive. This tax would only apply to those who earn a million dollars a year. So it would only affect the small slice of our population would can very much afford it. In tern our public services are in much need of help.

HB-2010

Submitted on: 2/2/2026 3:59:57 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonathan Huynh	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this legislation because I believe that the wealthiest should pay their fair share to support social services. At a time when Oahu's cost to ride the bus is going up and the cost of living is unbearable for the low-middle class, the richest should help to support those in need. This bill is a first step against wealth inequality and towards fairness for all.

Mahalo,

Jonathan Huynh

HB-2010

Submitted on: 2/2/2026 4:15:19 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Anna Camacho	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and members,

I strongly support this bill to place a surcharge on taxable income over \$1,000,000 to fund Medicaid.

Medicaid keeps our communities healthy and is a lifeline for some working families, kūpuna, and people with disabilities. When it's underfunded, real people suffer.

This bill asks the wealthiest to contribute a little more so everyone can access basic healthcare. That's fair, practical, and long overdue in a state where working families already carry a disproportionate tax burden.

Healthcare is a shared responsibility. This bill helps make that real. Please pass this measure.

Mahalo.

HB-2010

Submitted on: 2/2/2026 4:19:01 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Dear Committee members:

I write in strong support of HB 2010.

This tax on high-income earners in Hawai‘i would only apply to people who make more than \$1 million per year. It would add a small extra tax on income above \$1 million, not on every dollar they earn. For example, if someone makes \$1.2 million, the tax would only apply to the \$200,000 over the \$1 million mark.

This small surcharge could bring in \$71 million (at 2%) every year. This money would help pay for things our communities and residents really need, such as housing, education, healthcare, and infrastructure.

Most people in Hawai‘i would not pay this tax at all. It asks only the highest income residents to chip in a little more for the common good. Other places have done this and have seen positive results. Massachusetts passed their own “millionaire’s tax” in 2022 and research has shown that since then, the number of millionaires there has increased, not reduced, and their wealth has grown. In other words, the tax raised money for public services, and wealthy people did not leave the state in droves.

I urge you to pass a Millionaire’s Tax so Hawai‘i can raise needed revenue in a fair way, without putting more pressure on families who are already struggling with our high cost of living. The tax revenue will go towards funding community infrastructure, which we all need and which many of our neighbors depend on.

Thank you for your time and this opportunity to testify in support of HB2010.

Noelle Lindenmann, Kailua-Kona

HB-2010

Submitted on: 2/2/2026 4:25:56 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Dee Green	Individual	Support	Written Testimony Only

Comments:

I support HB2010.

Federal changes to Medicaid funding have placed significant pressure on Hawai‘i and threaten health care access for thousands of residents. This bill provides a fair solution by applying a modest two percent surcharge only to income over \$1,000,000 to help protect essential Medicaid services.

HB2010 is targeted, responsible, and ensures those most able to contribute help maintain critical health care for our communities.

I respectfully urge your support.

HB-2010

Submitted on: 2/2/2026 4:28:32 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
cheryl burghardt	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee

I support HB2010 because it takes a fair and practical approach to a real problem Hawai‘i is facing.

Federal tax cuts and changes to Medicaid have shifted major costs onto states, and Hawai‘i now risks losing hundreds of millions of dollars in federal Medicaid funding. That loss would directly affect hospitals, clinics, and thousands of residents who depend on Medicaid for basic health care. Without action, the burden will fall on the most vulnerable people in our communities.

HB2010 asks those who earn over \$1,000,000 a year to contribute a modest two percent surcharge to help protect essential health services. This approach is reasonable, narrowly targeted, and does not impact the vast majority of residents. It also ensures that funding is dedicated to Medicaid and subject to legislative oversight.

Keeping people healthy, maintaining access to care, and supporting our health care system should be shared priorities. HB2010 helps do that in a way that is fair and responsible.

I respectfully urge your support of HB2010.

Cheryl Burghardt

Nuuanu Oahu

HB-2010

Submitted on: 2/2/2026 4:37:22 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

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

Comments:

Thank you for the chance to testify on House Bill 2010. This tax on high-income earners would only apply to people who make more than \$1 million a year. It would add a small extra tax on income above \$1 million—not on every dollar they earn.

For example, if someone makes \$1.2 million, the tax would only apply to the \$200,000 over the \$1 million mark.

This small surcharge could bring in \$71 million (at 2%) every year. That money could help pay for things our communities really need, like housing, schools, health care, and infrastructure.

Most people in Hawai‘i would not pay this tax at all. It asks only the highest-income residents—those doing extremely well in our economy—to chip in a little more for the common good.

Other places have done this and seen positive results. Massachusetts passed its own “millionaire’s tax” in 2022. Research shows that since then, the number of millionaires there has actually gone up, and their wealth has grown. In other words, the tax raised money for public services, and wealthy people did not disappear.

I urge you to pass a Millionaire’s Tax so Hawai‘i can raise needed revenue in a fair way, without putting more pressure on families who are already struggling with our high cost of living. The money will go towards funding our state Medicaid program, which thousands of our friends, family, and neighbors depend on.

Mahalo for your time and for considering this important bill.

HB-2010

Submitted on: 2/2/2026 8:02:37 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gina Borgman	Individual	Support	Written Testimony Only

Comments:

Thank you

HB-2010

Submitted on: 2/2/2026 8:29:57 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

Thank you

HB-2010

Submitted on: 2/2/2026 9:34:05 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
tia pearson	Individual	Support	Written Testimony Only

Comments:

Hawai‘i taxes income from investments at significantly lower rates than we tax income from *actual work*. That’s one big reason our tax system tilts in favor of the wealthy — and why reforming the capital gains tax could help level the playing field for local families.

HB-2010

Submitted on: 2/2/2026 10:30:28 PM

Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jasmine Balangitao	Individual	Support	Written Testimony Only

Comments:

Aloha chair and members I strongly support this bill. The high income earners need to pay their fair share. They gotta stop piggybacking on us poor local working families that been paying our fair share. Please back up us hard working local families we deserve it. Mahalo , Jasmine Balangitao

HB-2010

Submitted on: 2/2/2026 10:33:32 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Huycke	Individual	Support	Written Testimony Only

Comments:

I support HB2010.

HB-2010

Submitted on: 2/2/2026 10:45:43 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathy Shimata	Individual	Support	Written Testimony Only

Comments:

With changes at the Federal level affecting our state's available funds, I support enacting a Millionaire Tax. It is designed to take an amount above one million dollars in income. This will help our state provide services for our people from those who have become very successful.

Please support HB2010.

Mahalo.

Kathy Shimata

To Chair Lisa Marten, Vice Chair Ikaika Olds, and members of the House Committee on Human Services and Homelessness

From Beth Giesting

Re: Support for House Bill 2010, Relating to Taxation

Thank you for the opportunity to support House Bill 2010 which would provide a reliable source for the State's share of Medicaid funds. Medicaid is among our most essential programs, aimed at improving the health and wellbeing of low-income children and families, people with disabilities, and vulnerable seniors. In this era where the gulf between the rich and poor is growing it is appropriate to assess this additional tax on the top tier of earners to help support the health of Hawaii's low-income residents.

Mahalo for your attention to this important issue.

HB-2010

Submitted on: 2/3/2026 7:53:25 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

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

Comments:

I support surcharge to taxable income over \$1M to fund Medicaid.

HB-2010

Submitted on: 2/3/2026 8:48:01 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle Bonk	Individual	Support	Written Testimony Only

Comments:

As a supporter of Indivisible Hawai'i I ask you to pass this bill.
Thank you.

HB-2010

Submitted on: 2/3/2026 8:53:26 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE this bill.

HB-2010

Submitted on: 2/3/2026 9:10:35 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

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

Comments:

Hello Chair and Members of the Committee,

My name is Nanea Lo and I respectfully submit testimony in support of HB2010, which would add a surcharge on taxable income over \$1 million to help fund Medicaid. This proposal applies only to income and does not affect assets such as family homes or property.

I offer this testimony as a member of the Honolulu Tenants Union and as a board member of the Hawai‘i Workers Center. Through this work, I regularly see how access to affordable health care is inseparable from housing stability, worker protections, and community well-being.

Medicaid plays a vital role in Hawai‘i’s health care system, providing coverage for kūpuna, keiki, people with disabilities, and working families who rely on these services for essential care. As health care costs continue to rise, stable and sustainable funding is critical to ensuring that our communities continue to receive the care they need.

Asking those with the highest incomes to contribute slightly more toward maintaining this essential program is a reasonable and fair approach. A surcharge on income above \$1 million would affect only a very small percentage of taxpayers, while generating revenue that directly supports medical services for those most in need.

HB2010 represents a thoughtful way to strengthen Hawai‘i’s social safety net without placing additional burdens on middle- and low-income residents. By focusing solely on income, this measure avoids penalizing people for owning homes or long-term assets, and instead targets extraordinary earnings.

For these reasons, I urge the Committee to pass HB2010.

me ke aloha ‘āina,

Nanea Lo, 96826

Hawai‘i Workers Center Board Member

Honolulu Tenants Union Member

HB-2010

Submitted on: 2/3/2026 10:05:20 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Aaron Ruddick	Individual	Support	Written Testimony Only

Comments:

I strongly support HB2010. Medicaid is crucial to the health of Hawaii.

HB-2010

Submitted on: 2/3/2026 10:41:00 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Roger Hamada	Individual	Support	Written Testimony Only

Comments:

The wealthy and ultrawealthy have benefited tremendously from favorable tax breaks, a favorable stock market, and a friendly federal administration.

The less wealthy and impoverished have continued to suffer from diminishment of financial supports and the increasing cost of basic life necessities.

The small tax surcharge proposed here is the right thing to do to allow our wealthy brethren to help care for their less well-off brothers and sisters.

HB-2010

Submitted on: 2/3/2026 11:36:37 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Amber Kanehailua	Individual	Support	Written Testimony Only

Comments:

I support this bill because I think it will help citizens get the essential medical care they need.

HB-2010

Submitted on: 2/3/2026 12:13:10 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am writing in support of HB2010. I support this tax surcharge to supplement the State Medicaid Fund. Mahalo for considering my views.

HB-2010

Submitted on: 2/3/2026 1:03:15 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Addie Berliner	Individual	Support	Written Testimony Only

Comments:

Medicaid funding is under attack. Thank you for supporting this bill!

HB-2010

Submitted on: 2/3/2026 4:25:31 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jotis Russell-Christian	Individual	Support	Written Testimony Only

Comments:

<https://docs.google.com/document/d/1NoC90rJSm6lpOzB575frU6ag0W7bs0zgcS1aB1j4dpY/edit?usp=sharing>

HB-2010

Submitted on: 2/3/2026 5:56:30 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Weltin	Individual	Support	Written Testimony Only

Comments:

My name is Elizabeth Weltin, and I am writing in strong support of HB2010.

Hawai‘i has some of the highest costs of living in the country, yet too many families are struggling to afford housing, healthcare, childcare, and basic necessities. At the same time, our tax system asks proportionally more from working people than from those earning extraordinary incomes. HB2010 is a reasonable and fair way to begin correcting that imbalance.

The millionaire’s tax applies only to income over \$1 million, with a modest 2 percent surcharge on that amount. Anyone earning less than \$1 million would see no tax increase at all. Even for someone earning \$1.2 million, the additional tax would apply only to the \$200,000 above the threshold. This approach protects middle-class families while asking those who have benefited the most from our economy to contribute a little more.

Other states, such as Massachusetts, have already adopted similar “fair share” taxes and are successfully investing the revenue in schools, transportation, and essential public services without harming their economies. Hawai‘i can do the same. Revenue from HB2010 could generate tens of millions of dollars each year to support affordable housing, education, healthcare, services for kupuna, and climate resilience—investments that directly benefit our communities.

I believe a strong Hawai‘i depends on shared responsibility. By asking the wealthiest 1 percent to pay a slightly higher rate on only their highest earnings, HB2010 helps build a fairer tax system and a more secure future for everyone who calls Hawai‘i home. I respectfully urge your support.

Mahalo for the opportunity to submit testimony.

Elizabeth Weltin as an individual citizen and on behalf of Ka‘ū Voices-An Indivisible Chapter and member of the Indivisible Hawai‘i Statewide Network (IHSN)

HB-2010

Submitted on: 2/3/2026 7:03:06 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Justin Hughey	Individual	Support	Written Testimony Only

Comments:

To: Committee on Human Services and Committee on Finance Hearing Date: February 2026
Measure: HB 2010 – Relating to Taxation (Medicaid Funding Surcharge)

TESTIMONY IN STRONG SUPPORT

Chair, Vice-Chair, and Members of the Committees,

My name is Justin Hughey, and I am writing in strong support of HB 2010, which establishes a 2% surcharge on taxable income exceeding \$1,000,000 to protect our state's Medicaid program.

Hawaii is facing a fiscal emergency. The federal government's recent "Big Beautiful Bill" has fundamentally altered the landscape of public health funding by slashing federal Medicaid support to states. These federal policy choices—which prioritized massive tax cuts for the nation's wealthiest—are now being financed by cutting the literal lifeline for Hawaii's most vulnerable residents.

We are looking at a potential loss of \$400,000,000 in federal Medicaid spending. This isn't just a number on a spreadsheet; it represents:

- 41,000 Hawaii residents at risk of losing their health care coverage.
- Enormous strain on our community health centers and hospitals, especially in rural areas.
- An impossible burden on working families who are already struggling with the highest cost of living in the nation.

The federal government has forced our hand. By reducing funding to Hawaii, they have created a "mess" that we are now required to clean up. It is only right that the solution comes from those who have benefited most from the very federal tax policies that got us here.

HB 2010 ensures that Hawaii's highest-income earners—those making over a million dollars a year—contribute their fair share to preserve the health of our community. This modest 2% surcharge follows the successful "Fair Share" models seen in states like Massachusetts, proving that we can generate substantial revenue for essential services without harming our economy.

We cannot allow the federal government's abandonment of the poor to become Hawaii's legacy. We must act now to bridge this funding gap and ensure that no resident is left without medical care because of political games in Washington.

I strongly urge this committee to pass HB 2010.

Thank you for the opportunity to testify.

Sincerely,

Justin Hughey
Democratic Party of Hawaii, State Central Committee
Education Caucus Rep.

HB-2010

Submitted on: 2/3/2026 8:19:21 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Alex Tam	Individual	Support	Written Testimony Only

Comments:

We need this bill in order to pay for essential healthcare services for working class people. Across the state and country, healthcare costs are skyrocketing while the quality of care is worse than pretty much every other developed nation. Meanwhile, we have people making millions of dollars every year and not contributing their fair share to society. This bill is a step in the right direction for economic fairness.

HB-2010

Submitted on: 2/3/2026 9:16:23 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ron Brown	Individual	Support	Written Testimony Only

Comments:

Thank you for the opportunity to comment on this bill. We need to raise money to repair in Hawaii at least in part the horrible damage the corrupt Trump administration has done to our social safety net. This proposal would in a reasonable way provide funds to do so at least in part. I support it fully.

HB-2010

Submitted on: 2/3/2026 9:29:52 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Justice, M.D.	Individual	Support	Written Testimony Only

Comments:

The wealthy do not pay their fair share of taxes but enjoy the benefits government provides. As a retired physician and member of Indivisible Hawaii, I strongly support increased taxes on the wealthy, especially to fund vital services like Medicaid.

HB-2010

Submitted on: 2/4/2026 6:33:21 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Alicia Hedlesky	Individual	Support	Written Testimony Only

Comments:

02/04/2026
Committee on Human Services and Homelessness
Rep. Lisa Marten, Chair
Rep. Ikaika Olds, Vice Chair

RE: TESTIMONY IN SUPPORT OF HB2010

Dear Chair Marten, Vice Chair Olds, and Members of the Committee,

My name is Alicia Hedlesky, a resident of Moloa'a, Kauai and a member of Indivisible Hawaii. I am writing to strongly support HB2010, which asks the wealthiest amongst us to pay just a little more to help the rest of the community. Other states doing this like Massachusetts have raised money this way without harming their economies, and Hawaii can do the same.

Thank you for your consideration and the opportunity to testify on this important issue,

Alicia Hedlesky

HB-2010

Submitted on: 2/4/2026 7:31:18 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Cuthbert	Individual	Support	Written Testimony Only

Comments:

I support this bill from the standpoints of necessity and fairness; Necessity because it helps to backfill the loss of federal funding and fairness because those who incur this tax surcharge have already had their income tax reduced by the “Big Beautiful Bill.”

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

HB-2010

Submitted on: 2/4/2026 10:14:45 AM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lori Kizer	Individual	Support	Written Testimony Only

Comments:

I support this bill and ask my elected officials to approve/pass. Mahalo.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

HB-2010

Submitted on: 2/4/2026 1:39:25 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Testify
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

Strong support!

LATE

HB-2010

Submitted on: 2/4/2026 1:53:27 PM
Testimony for HSH on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Anne Leake	Individual	Support	Written Testimony Only

Comments:

Dear Chair, Vice Chair, and Members of the House Committee on Human Services and Homelessness,

My name is Anne Leake and I am a retired nurse practitioner. For 30 years I practiced in federally funded community health centers in Hawaii and with the Hawaii Homeless Healthcare Hui (H4). I am writing in strong support of HB 2010, having seen first hand what happens when Medicaid funding is cut and enrollments in QUEST capped.

HB2010 would tax only high-income earners who make more than \$1 million a year. It would add a small extra tax on income above \$1 million, not on every dollar they earn. For example, if someone makes \$1.2 million, the tax would only apply to the \$200,000 over the \$1 million mark. This small surcharge could bring in \$71 million (at 2%) every year. That money could help pay for things our communities really need, like housing, schools, health care, and infrastructure.

Most people in Hawaii would not pay this tax at all. It asks only the highest-income residents those doing extremely well in our economy—to chip in a little more for the common good.

Other places have done this and seen positive results. My home state of Massachusetts passed its own "millionaire's tax" in 2022. Research shows that since then, the tax raised money for public services, and wealthy people did not disappear.

I urge you to pass a Millionaire's Tax so Hawaii can raise needed revenue in a fair way, without putting more pressure on families who are already struggling with our high cost of living. The money will go towards funding our state Medicaid program, which thousands of our friends, family, and neighbors depend on.

Mahalo for considering this important bill.

Anne Leake

Kaneohe, HI