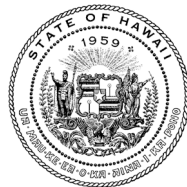


JOSH GREEN M.D.
GOVERNOR

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:

S.B. No. 2462, Relating to State Income Tax Liability

BEFORE THE:

Senate Committee on Judiciary

DATE: Friday, February 6, 2026
TIME: 9:00 a.m.
LOCATION: State Capitol, Conference Room 016

Chair Rhoads, Vice-Chair Gabbard, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 2462 for your consideration.

S.B. 2462 increases the amount that taxpayers may designate from their individual income tax refunds to the Hawai'i Election Campaign Fund. Specifically, Section 2 amends section 235-102.5(a), Hawai'i Revised Statutes (HRS), by increasing the designated income "check-off" amount from \$3 to \$6 for taxpayers filing individual returns with \$6 or more of state income tax liability, and from \$3 to \$6 for each taxpayer spouse filing joint returns with \$12 or more of state income tax liability.

Upon approval, the bill applies to taxable years beginning after December 31, 2025. DOTAX can administer the bill with this effective date.

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



Committee on Judiciary Chair Karl Rhoads, Vice Chair Mike Gabbard
Friday, February 6, 9 am]
Room 016 and videoconference
SB2462– RELATING TO STATE INCOME TAX LIABILITY

TESTIMONY

Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Rhoads, Vice Chair Gabbard, and Committee Members:

The League of Women Voters of Hawaii supports SB2462, which increases the dollar amount of the income tax check-off option which directs funds to the Hawaii Elections Campaign Fund (HECF).

The HECF supports our partial public financing program, which supplements campaign funds for candidates for state offices who meet and agree to certain stipulations. It's critical to keep this fund strong enough to allow all eligible candidates to receive the funding they qualify for. As inflation has sharply decreased the value of the existing check-off amount, it's time to raise the dollar value of the check-off and other associated dollar amounts.

Please pass SB2462.

Thank you for the opportunity to submit testimony.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Increase Check-Off for Hawai'i Election Campaign Fund

BILL NUMBER: SB 2462

INTRODUCED BY: RHOADS, CHANG, MCKELVEY, San Buenaventura

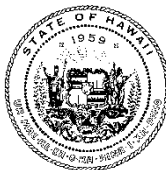
EXECUTIVE SUMMARY: Increases designated income check-off amounts for the Hawai'i Election Campaign Fund to \$6 for taxpayers filing individual returns with \$6 or more of state income tax liability and for spouses filing joint returns with \$12 or more of state income tax liability.

SYNOPSIS: Amends section 235-102.5, HRS, to double the existing \$3 income tax check-off for the benefit of the Hawai'i Election Campaign Fund.

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

STAFF COMMENTS: In the long run, the cost of administering the income tax checkoff merely siphons resources that should otherwise be used for providing needed public services. If lawmakers believe certain programs are of great importance, then they can prioritize those programs through the appropriations process. With the Hawaii tax burden already so heavy, why should taxpayers turn any more of their hard-earned dollars over to government? What lawmakers also do not recognize is that by creating these checkoffs, they add to the cost of administering the law, a cost which steals funds from other programs including those enumerated for a checkoff designation.

Digested: 2/2/2026



STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION


235 SOUTH BERETANIA STREET, ROOM 300
HONOLULU, HAWAII 96813

February 4, 2026

TO: The Honorable Senator Karl Rhoads, Chair
Senate Committee on Judiciary

The Honorable Senator Mike Gabbard, Vice Chair
Senate Committee on Judiciary

Members of the Senate Committee on Judiciary

FROM: Kristin Izumi-Nitao, Executive Director
Campaign Spending Commission 

SUBJECT: **Testimony on S.B. No. 2462, Relating to State Income Tax Liability.**
Senate Committee on Judiciary
Friday, February 6, 2026, at 9:00 a.m.
Conference Room 016 & Videoconference

Thank you for the opportunity to testify on this bill. The Campaign Spending Commission (“Commission”) strongly supports this bill.

Hawaii’s partial public financing program mandated by the State Constitution is funded by the Hawaii election campaign fund (“HECF”) which receives its funds in large part from the state income tax check-off program. Currently, an individual whose state income tax liability is \$3 or more may designate \$3 of the liability to be paid to the HECF. For joint income tax returns of spouses, spouses with an income tax liability of \$6 or more, may each designate \$6 to be paid to the HECF. This bill aims to double the income tax check off option for individuals and joint spouse filers thereby increasing the potential for money to be paid to HECF.

As of June 30, 2025, the HECF has \$2,412,282.94 which is enough money to fund the partial public financing program for candidates for the primary election but is not sufficient to fund candidates for the general election. In order to have a more robust and viable partial public financing program, the Commission would need to boost income to the HECF. Increasing the income tax check off would help make the partial financing program a viable option for candidates.

The Commission requests that this committee pass this measure.



**Senate Committee on Judiciary
Hawai'i Alliance for Progressive Action (HAPA) Strongly Supports SB2462
Friday, February 6th, 9 AM in Conference Room 016 & Videoconference**

Aloha Chair Rhoads, Vice Chair Gabbard, and members of the committee,

Hawai'i Alliance for Progressive Action strongly supports SB2462, increasing voluntary state income tax check-off amounts designated to the Hawai'i Election Campaign Fund.

Publicly funded elections play an important role in reducing the influence of large donors and expanding access to public office. However, Hawai'i's current public financing system is limited by insufficient funding, making it difficult for candidates who choose this option to run their races.

SB 2462 strengthens the Hawai'i Election Campaign Fund by increasing the voluntary tax check-off amounts available to support publicly funded elections. Without raising taxes, this allows taxpayers to direct a larger portion of their existing tax liability toward a system that promotes fairness, accountability, and broader participation in our democracy.

By strengthening public financing of elections, SB 2462 helps create a more accessible and representative electoral system and supports the goal of good governance to curb the influence of big money in elections.

For all these reasons and more, we respectfully urge the passing of SB 2462.

Thank you for your support and consideration,

A handwritten signature in cursive script, appearing to read 'Anne Frederick'.

Anne Frederick, Executive Director

SB-2462

Submitted on: 2/4/2026 8:55:01 AM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

Likewise, I support this bill, but greatly prefer SB2313.

SB-2462

Submitted on: 2/4/2026 9:25:29 AM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

*Dear Chair and Members of the Committee,**Mahalo for the opportunity to testify today. I am writing in strong support of SB 2462, which increases the designated income tax check-off amounts for the Hawaii Election Campaign Fund to \$6 for individual filers and \$12 for joint filers with at least that amount of tax liability.**This modest change empowers taxpayers to more meaningfully support clean elections in Hawai'i. The Election Campaign Fund is a valuable tool that allows everyday residents to contribute directly to public financing of campaigns without writing large checks or being part of special interest fundraising. Increasing the check-off amount makes it easier for more people to participate and help build a fund that can support competitive, grassroots candidates who are accountable to voters—not big money donors.**This is an easy way to ensure the Campaign Spending Fund receives more resources without raising any new taxes.**For these reasons, I urge you to pass SB 2462.*

SB-2462

Submitted on: 2/4/2026 9:37:51 AM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Carter	Individual	Support	Written Testimony Only

Comments:

*Dear Chair and Members of the Committee,**Mahalo for the opportunity to testify today. I am writing in strong support of SB 2462, which increases the designated income tax check-off amounts for the Hawaii Election Campaign Fund to \$6 for individual filers and \$12 for joint filers with at least that amount of tax liability.**This modest change empowers taxpayers to more meaningfully support clean elections in Hawai'i. The Election Campaign Fund is a valuable tool that allows everyday residents to contribute directly to public financing of campaigns without writing large checks or being part of special interest fundraising. Increasing the check-off amount makes it easier for more people to participate and help build a fund that can support competitive, grassroots candidates who are accountable to voters—not big money donors.**This is an easy way to ensure the Campaign Spending Fund receives more resources without raising any new taxes.**For these reasons, I urge you to pass SB 2462.**Mahalo nui loa for your consideration.**Dr. Paul Carter**201 River Rd., Waihe'e, HI*

SB-2462

Submitted on: 2/4/2026 9:56:36 AM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

Level the playing field. This will help.

SB-2462

Submitted on: 2/4/2026 10:07:17 AM

Testimony for JDC on 2/6/2026 9:00:00 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.

SB-2462

Submitted on: 2/4/2026 11:11:58 AM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

Hello Chair and Members of the Committee,

Mahalo for the opportunity to testify today. I am writing in strong support of SB 2462, which increases the designated income tax check-off amounts for the Hawaii Election Campaign Fund to \$6 for individual filers and \$12 for joint filers with at least that amount of tax liability.

This modest change empowers taxpayers to more meaningfully support clean elections in Hawai‘i. The Election Campaign Fund is a valuable tool that allows everyday residents to contribute directly to public financing of campaigns without writing large checks or being part of special interest fundraising. Increasing the check-off amount makes it easier for more people to participate and help build a fund that can support competitive, grassroots candidates who are accountable to voters—not big money donors.

This is an easy way to ensure the Campaign Spending Fund receives more resources without raising any new taxes.

For these reasons, I urge you to pass SB 2462.

me ke aloha ‘āina,

Nanea Lo, 96826

Carbon Cashback Hawai‘i Member

Hawai‘i Workers Center Board Member

Honolulu Tenants Union Member

Hawai‘i Tax Fairness Coalition

Clean Elections Hawai‘i Member

SB-2462

Submitted on: 2/4/2026 2:10:13 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Douglas	Individual	Support	Written Testimony Only

Comments:

*Dear Chair and Members of the Committee,**Mahalo for the opportunity to testify today. I am writing in strong support of SB 2462, which increases the designated income tax check-off amounts for the Hawaii Election Campaign Fund to \$6 for individual filers and \$12 for joint filers with at least that amount of tax liability.**This modest change empowers taxpayers to more meaningfully support clean elections in Hawai‘i. The Election Campaign Fund is a valuable tool that allows everyday residents to contribute directly to public financing of campaigns without writing large checks or being part of special interest fundraising. Increasing the check-off amount makes it easier for more people to participate and help build a fund that can support competitive, grassroots candidates who are accountable to voters—not big money donors.**This is an easy way to ensure the Campaign Spending Fund receives more resources without raising any new taxes.**For these reasons, I urge you to pass SB 2462.**Mahalo nui loa for your consideration.*

SB-2462

Submitted on: 2/4/2026 2:11:35 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

*Dear Chair and Members of the Committee,**Mahalo for the opportunity to testify today. I am writing in strong support of SB 2462, which increases the designated income tax check-off amounts for the Hawaii Election Campaign Fund to \$6 for individual filers and \$12 for joint filers with at least that amount of tax liability.**This modest change empowers taxpayers to more meaningfully support clean elections in Hawai‘i. The Election Campaign Fund is a valuable tool that allows everyday residents to contribute directly to public financing of campaigns without writing large checks or being part of special interest fundraising. Increasing the check-off amount makes it easier for more people to participate and help build a fund that can support competitive, grassroots candidates who are accountable to voters—not big money donors.**This is an easy way to ensure the Campaign Spending Fund receives more resources without raising any new taxes.**For these reasons, I urge you to pass SB 2462.**Mahalo nui loa for your consideration.
Erin Hagan**Waialua*

SB-2462

Submitted on: 2/4/2026 2:21:30 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Georgia L Hoopes	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill! Please support SB 2462.

Georgia Hoopes, Kalaheo

SB-2462

Submitted on: 2/4/2026 2:36:33 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I am testifying in strong support of SB2462.

Publicly funded elections help reduce the influence of big money in our politics and make it possible for more people of diverse backgrounds to run for office. Strengthening the Hawai'i Election Campaign Fund through a voluntary tax check-off gives us, the voters, a simple way to support fairer elections without increasing our taxes.

Mahalo for this opportunity to testify,

Noelle Lindenmann, Kailua-Kona

SB-2462

Submitted on: 2/4/2026 3:05:05 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

Aloha, I am writing in support of SB2462 because I believe it will help strengthen democracy. Mahalo for your consideration.

SB-2462

Submitted on: 2/4/2026 3:08:39 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel R Freund	Individual	Support	Written Testimony Only

Comments:

Please advance this good government initiative. - Dan Freund, Kapaa

SB-2462

Submitted on: 2/4/2026 3:51:06 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

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

Comments:

I strongly support this legislation

David Ball

Waialae-Kahala

SB-2462

Submitted on: 2/4/2026 4:10:22 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Ziemelis	Individual	Support	Written Testimony Only

Comments:

Aloha! I am in strong support of SB2462

Publicly funded elections help reduce the influence of big money in our politics and make it possible for more people of diverse ethnic and financial backgrounds to run for office. Strengthening the Hawai'i Election Campaign Fund through a voluntary tax check-off gives us, the voters, a simple way to support fairer elections without increasing our taxes. Thank you!

SB-2462

Submitted on: 2/4/2026 4:12:08 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcia Kemble	Individual	Support	Written Testimony Only

Comments:

Greetings Committee Members,

I am writing in strong support of SB2462, which increases the designated income tax check-off amounts for the Hawaii Election Campaign Fund to \$6 for individual filers and \$12 for joint filers with at least that amount of tax liability. This modest change empowers taxpayers to more meaningfully support clean elections in Hawai‘i. The Election Campaign Fund is a valuable tool that allows everyday residents to contribute directly to public financing of campaigns without writing large checks or being part of special interest fundraising. Increasing the check-off amount makes it easier for more people to participate and help build a fund that can support competitive, grassroots candidates who are accountable to voters—not big money donors. This is an easy way to ensure the Campaign Spending Fund receives more resources without raising any new taxes. Please help get big money out of politics!

Mahalo for your consideration,

Marcia Kemble

Makiki

SB-2462

Submitted on: 2/4/2026 4:12:37 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

SUPPORT

SB-2462

Submitted on: 2/4/2026 4:59:06 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jordan Kapono Nakamura	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Jordan Kapono Nakamura and I'm a Honolulu resident testifying in strong support of this bill. This will help rectify the stagnancy of Hawai'i's funding amounts and expenditure limits which have remained unchanged for 30 years and counting. The value of a dollar in Hawai'i is far lower than in other places with higher wages and lower costs of living and rent averages, making the already expensive endeavor of running to be a public servant holding office almost exclusively the province of individuals who have numerous wealthy contacts, are well-off themselves, or are willing to take corporate money to run successful campaigns. This current state of affairs spells a recipe for a trend of representatives who do not resemble the socio-economic status of the vast majority of constituents in Hawai'i. New York City's far higher 8-1 public funding makes it possible for much more fair representation by allowing candidates who do not have access to large amounts of money to forecast and initiate viable campaigns, and thus creates a much more accurate and fair landscape of candidates who actually resemble their districts. This bill introduces a very easy way to increase public funding for candidates with nearly zero impact on individual residents, while creating pathway toward a more just and fair electoral system. Mahalo for your consideration and kokua for the people and future of Hawai'i.

SB-2462

Submitted on: 2/4/2026 5:42:40 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Micha'el Leventhal	Individual	Support	Written Testimony Only

Comments:

Aloha and greetings. As you know, this bill prohibits auto manufacturers and dealers from charging consumers a recurring fee, known as a subscription service, for features that use hardware already installed in the vehicle at the time of purchase or lease, provided those features can function without relying on external data networks or third-party services. Before a sale or lease is finalized, manufacturers and dealers must clearly disclose in writing any features requiring a subscription, their costs, and whether the feature will be disabled if the subscription isn't maintained.

Mahalo nui for doing what you can to support this vital consumer protection initiative!

SB-2462

Submitted on: 2/4/2026 6:43:40 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Stover	Individual	Support	Written Testimony Only

Comments:

support

SB-2462

Submitted on: 2/4/2026 8:07:42 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruta Jordans	Individual	Support	Written Testimony Only

Comments:

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SB-2462

Submitted on: 2/4/2026 8:26:21 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jim Klyman	Individual	Support	Written Testimony Only

Comments:

Yes, increase the amount. It is way past being an effective amount to support our elections.

SB-2462

Submitted on: 2/4/2026 9:01:21 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kencho Gurung	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I am in strong support of SB2462

Publicly funded elections help reduce the influence of big money in our politics and make it possible for more people of diverse backgrounds to run for office. Strengthening the Hawai'i Election Campaign Fund through a voluntary tax check-off gives us, the voters, a simple way to support fairer elections without increasing our taxes.

SB-2462

Submitted on: 2/4/2026 9:55:03 PM

Testimony for JDC on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
LorrieAnn Santos	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I am in strong support of SB2462.

Publicly funded elections help reduce the influence of big money in our politics and make it possible for more people of diverse backgrounds to run for office.

Strengthening the Hawaii Election Campaign Fund through a voluntary tax check-off gives us, the voters, a simple way to support fairer elections without increasing our taxes.

Private fundraising in the US elections corrupts the incentives of elected officials, advantages entrenched elites, and harms electoral competition. Public funding of elections would level the electoral playing field and better align the interests of elected officials and citizens.

The best empirical evidence suggests that public-funding programs promote candidate entry and electoral competition.

'O wau iho no,

Lorrie Ann Santos, Kane'ohe, O'ahu