

STAND. COM. REP. NO. 1074-26

Honolulu, Hawaii
MAR 06 , 2026

RE: H.B. No. 2007
H.D. 3

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 2007, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to increase a taxpayer's applicable percentage of employment-related expenses that may be claimed for the Household and Dependent Care Services Tax Credit.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Hawai'i Public Health Institute; AARP Hawai'i; AAUW of Hawaii; Hawai'i Children's Action Network Speaks!; Indivisible Hawai'i; AlohaCare; Nurture Mental Health; Hawaii Appleseed Center for Law & Economic Justice; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Removing the application of the cost-of-living adjustment factor;

2026-2081 HB2007 HD3 HSCR HMSO



- (2) Replacing the formula for calculating the applicable percentage with a table of applicable percentage based on adjusted gross income brackets; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2007, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2007, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



CHRIS TODD, Chair



