

STAND. COM. REP. NO. 524-26

Honolulu, Hawaii

FEB 19 , 2026

RE: H.B. No. 2214  
H.D. 1

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

Madame:

Your Committee on Human Services & Homelessness, to which was referred H.B. No. 2214 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this measure is to establish a Refundable Diaper Tax Credit.

Your Committee received testimony in support of this measure from the National Diaper Bank Network; Early Childhood Action Strategy; AAUW of Hawaii; Hawai'i Children's Action Network Speaks!; Hawai'i Diaper Bank; and three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the high cost of living in Hawaii, combined with the regressive nature of the general excise tax, places a disproportionate financial burden on low- and middle-income families, particularly those with young children. Your Committee further finds that many families struggle to afford diapers, which are essential to children's health and well-being. Diapers are a significant cost for families with young children, with each child wearing diapers costing their parents or caregivers up to \$1,500 annually. This measure alleviates part of

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that burden by establishing a refundable diaper tax credit to support families in meeting this basic need.

Your Committee has amended this measure by:

- (1) Removing necessary diapering supplies from the definition of "diaper expenses" so as to avoid any ambiguity; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes the concern raised in testimony by the Department of Taxation, that refundable credits are more susceptible to fraud and abuse. However, your Committee recognizes the benefit in keeping the tax credit refundable because the individuals and families who would benefit the most from the tax credit fall below the minimum income thresholds and do not have to file tax returns. Your Committee further notes that this measure imposes an age requirement of under five years to be considered a qualifying child, which will also lessen the chance of fraud.

As affirmed by the record of votes of the members of your Committee on Human Services & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2214, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services &  
Homelessness,



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LISA MARTEN, Chair



