

**HB-1972-HD-2**

Submitted on: 3/17/2026 5:28:40 PM

Testimony for HHS on 3/20/2026 1:00:00 PM

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

Comments:

Dear Chair San Buenaventura, Vice Chair McKelvey, and Honorable Members of the Senate Committee on Health and Human Services:

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

PABEA strongly supports HB 1972 HD 2, which establishes a family caregiver tax credit for nonpaid family caregivers; requires the Department of Taxation to submit annual reports to the Legislature; and appropriates funds.

The bill will provide financial relief for Hawaii’s 260,000 unpaid family caregivers. The tax credit will help defray the thousands of dollars that families spend each year for out-of-pocket caregiver costs.

We urge you to support the family caregiver tax credit for non-paid family caregivers and HB 1972 HD 2, and we urge you to recommend its passage.

Mahalo for seriously considering the bill.

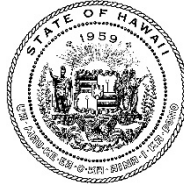
Gary Simon

Policy Advisory Board for Elder Affairs (PABEA)

Honolulu, Hawaii

**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  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

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

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1972, H.D.2, Relating to Taxation.

**BEFORE THE:**

Senate Committee on Health and Human Services

**DATE:** Friday, March 20, 2026  
**TIME:** 1:00 p.m.  
**LOCATION:** State Capitol, Conference Room 225

Chair San Buenaventura, Vice-Chair McKelvey, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1972, H.D.2, for your consideration.

Section 2 of the bill adds a new section to chapter 235, Hawaii Revised Statutes (HRS), establishing a nonrefundable tax credit for eligible unpaid family caregivers. The credit is equal to 75 percent of the taxpayer's qualified expenses, up to a limit of \$3,000 per taxable year. Only one eligible taxpayer per household may claim the credit for any care recipient in a taxable year. In addition, an eligible taxpayer may claim only one credit per taxable year, regardless of the number of care recipients for whom care is provided. Excess credit over income tax liability may not be carried forward and claims must be filed within 12 months after the close of the tax year.

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

Expenses that qualify for the credit include accessibility improvements and alterations, the purchase or lease of certain medical equipment and supplies, and other expenses incurred to assist the taxpayer in providing care, such as expenses for home care aides, respite care, adult day care, personal care attendants, transportation services, health care equipment, and assistive technology such as alerts and reminders. Under subsection (g), a taxpayer may not claim qualified expenses under this section that are also claimed under section 235-55.6, HRS, as expenses for household and dependent care services necessary for gainful employment.

DOTAX may require the taxpayer to provide a letter from a licensed health care provider confirming that the care recipient meets the criteria listed in subsection (i) to qualify as a care recipient.

Further, DOTAX is required to report, no later than 20 days before the start of each annual legislative session, the number of eligible taxpayers claiming the credit and the cost of the credit during the prior taxable year.

Section 3 of the bill appropriates an unspecified amount to DOTAX for infrastructure development and implementation of the credit.

This bill has a defective effective date of July 1, 3000, with the credit to apply to taxable years beginning after December 31, 2026, and funding, under section 3 of the bill, to take effect on July 1, 2026.

DOTAX notes that it can administer the credit for taxable years beginning after December 31, 2026.

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



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

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

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

**CAROLINE CADIRAO**  
DIRECTOR  
Executive Office on Aging

Telephone  
(808) 586-0100

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**Testimony COMMENTING on HB1972 HD2  
RELATING TO TAXATION**

**COMMITTEE ON HEALTH AND HUMAN SERVICES**

Senator Joy A. San Buenaventura, Chair  
Senator Angus L.K. McKelvey, Vice Chair

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

Hearing: Friday, March 20, 2026, 1:00 P.M.,

Conference Room 225

- 1 **EOA Position:** The Executive Office on Aging (EOA), an attached agency to the Department of  
2 Health (DOH), appreciates the intent of this measure. EOA requests that this appropriation not  
3 conflict with, reduce, or replace priorities identified in the executive budget.
- 4 **Purpose and Justification:** The bill would create a tax credit for unpaid family caregivers. In  
5 Hawai'i, about 260,000 adults (23%) provide unpaid care, contributing 144 million hours annually  
6 valued at \$2.6 billion. Caregivers manage daily living tasks, medical needs, transportation, and  
7 financial matters, spending about 26% of their income on caregiving. Their efforts support aging in  
8 place and reduce dependence on costly long-term care services, where home health averages \$97,240  
9 annually and nursing facilities about \$181,000 per year. Despite their contributions, caregivers  
10 receive little financial support.

- 1 **Recommendation:** EOA supports the intent of this measure to provide some financial relief to our
- 2 caregivers and their loved ones. We defer to the Department of Taxation for implementation.
- 3 Thank you for the opportunity to testify.



March 19, 2026

Position: **SUPPORT** of **HB1972 HD2**, Relating to Taxation

**To:** Senator Joy A. San Buenaventura, Chair  
Senator Angus L.K. McKelvey, Vice Chair  
Members of the Senate Committee on Health and Human Services

**From:** Llasmin Chaine, LSW, Executive Director, Hawaii State Commission on the Status of Women

**Re:** Testimony in **SUPPORT** of **HB1972 HD2**, Relating to Taxation

Hearing: Friday, March 20, 2026, 1:00 p.m.  
Conference Room 225, State Capitol

The Hawaii State Commission on the Status of Women is dedicated to advancing gender equity and supporting the well-being of women across Hawaii. The Commission **supports HB1972 HD2** because family caregiving responsibilities disproportionately fall on women, often leading to economic insecurity, reduced workforce participation, and long-term impacts on financial stability. Establishing a family caregiver tax credit directly addresses these challenges by recognizing and valuing the essential, unpaid labor provided by family caregivers.

**Unpaid caregiving is a cornerstone of Hawaii's social fabric**, enabling elders and individuals with disabilities to remain in their homes and communities. However, this role often comes with substantial economic and personal sacrifices, particularly for women who may reduce work hours or leave the workforce entirely to provide care. By providing a tax credit, **this bill acknowledges the economic value of caregiving, helps to offset some of these costs and offers tangible support to those who sacrifice earnings and career advancement to care for loved ones.** This aligns with the Commission's goals of reducing gender-based economic disparities.

The Commission respectfully encourages continued evaluation of the credit's adequacy and impact, with an eye toward further strengthening support for family caregivers in future legislative sessions.

We respectfully urge this Committee to **pass HB1972 HD2**, supporting Hawaii's caregivers.

Thank you for this opportunity to submit testimony.



1001 Bishop Street #625 | Honolulu, HI 96813  
866-295-7282 | [aarp.org/hi](http://aarp.org/hi) | [hiaarp@aarp.org](mailto:hiaarp@aarp.org) |  
[Twitter.com/aarpHawaii](https://twitter.com/aarpHawaii) | [facebook.com/aarpHawaii](https://facebook.com/aarpHawaii)

**The Thirty-Third State Legislature  
Senate Committee on Health and Human Services  
Friday, March 20, 2026  
Conference Room 225, 1:00 p.m.**

TO: The Honorable Joy San Buenaventura, Chair  
FROM: Keali'i S. López, State Director  
RE: Strong Support for H.B. 1972, HD2 Relating to Taxation

Aloha Chair San Buenaventura and Members of the Committee:

I am Keali'i Lopez, State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families: health and financial security, and personal fulfillment. On behalf of our 135,000 members in Hawai'i, thank you for the opportunity to testify.

AARP Hawai'i is in strong support of H.B. 1972, HD2, which provides a nonrefundable state income tax credit to help offset the out-of-pocket costs borne by unpaid family caregivers. This measure would offer much-needed relief to caregivers earning under \$75,000 (individual) or \$125,000 (married), many of whom struggle to balance work, family, and caregiving responsibilities.

Hawai'i's long-term care system depends on unpaid family caregivers to keep kūpuna at home—where they want to be and out of expensive nursing homes. About one in four people (23% of adults in Hawai'i or approximately 260,000 people) are family caregivers.<sup>1</sup> They contribute more than \$2.6 billion in unpaid care each year, helping older adults with meals, bathing, transportation and other tasks that allow their loved ones to remain in their home. More than half perform medical tasks typically handled by trained professionals.

Nearly half (49%) of caregivers in Hawai'i report negative financial impacts such as taking on debt, stopping savings, or being unable to afford basic expenses.<sup>2</sup>

- 89% of Hawai'i caregivers pay out of pocket for caregiving costs, spending an average of \$7,200 per year, or 25% of their income.
- 60% of caregivers are juggling employment while providing care, often reducing hours or leaving the workforce, which jeopardizes long-term financial security. [[states.aarp.org](http://states.aarp.org)]

March 20, 2026

H.B. 1972, HD2 AARP Testimony – Strong Support

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- 36% report moderate to high levels of emotional stress, and 38% receive no additional help—paid or unpaid—while providing care.

An AARP poll of older voters in Hawai'i found nearly 90 percent support a limited state income tax credit for family caregivers and 53 percent said they would be more likely to vote for a candidate who supported a family caregiver tax credit.<sup>2</sup>

H.B. 1972, HD2 would provide financial relief to caregivers who take care of their loved one and allow them to age at home. A modest tax credit recognizes and supports their contribution and personal sacrifice. This policy also makes fiscal sense. Caregivers' unpaid contributions delay or prevent the need for expensive institutional care, thereby reducing pressure on the state's Medicaid budget.

AARP Hawai'i urges the Legislature to recognize the vital role of family caregivers and their contribution to our long-term care system. Enacting H.B. 1972, HD2 is a first step and would provide long-overdue financial support and affirmation to the thousands of Hawai'i residents who sacrifice so much for love and family.

Mahalo for the opportunity to testify in strong support of H.B. 1972, H2.

#### References

1. [Caregiving in the U.S. 2025 \(AARP & NAC\)](#)
2. [AARP Hawai'i Voter Poll \(40+ Registered Voters\)](#)





## HIPHI Board

May Okihiro, MD, MS  
Chair  
John A. Burns School of Medicine,  
Department of Pediatrics

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Vice Chair  
Hawai'i Health Partners

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Taase Law Office

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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: March 17, 2026

To: Senator Joy A. San Buenaventura, Chair  
Senator Angus L.K. McKelvey, Vice Chair  
Members of the Senate Committee on Health and Human Services

Re: Support for HB 1972 HD2, Relating to Taxation

Hrg: March 20, 2026 at 1:00 PM in Conference Room 225

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Hawai'i Public Health Institute (HIPHI)<sup>1</sup> **supports HB 1972 HD2**, relating to taxation, which establishes a family caregiver tax credit for unpaid caregivers

Family caregivers are a backbone of Hawai'i's long-term support system. An estimated 154,000 adults in Hawai'i provide unpaid care to family members or loved ones, including help with daily activities and medical coordination, while juggling other responsibilities like employment and household tasks. These caregivers deliver care valued at an estimated \$2.6 billion annually if it were compensated at market rates.<sup>2</sup>

### Economic Value of Unpaid Care

According to the AARP, Hawai'i's family caregivers contribute 144 million hours of unpaid care per year, keeping kūpuna out of more costly institutional settings. Additionally, many caregivers incur substantial out-of-pocket costs, including materials, transportation, medical supplies, and home modifications, with some estimates nationally showing caregivers spend more than \$7,200 of their own money each year on caregiving expenses.<sup>3</sup>

### Workforce Impacts in Hawai'i

About 60 % of Hawai'i's family caregivers are also employed full- or part-time, with many reducing work hours or leaving the workforce altogether to provide care.<sup>4</sup> These decisions can lessen lifetime earnings, social security benefits, and workplace participation. With Hawai'i's population aging rapidly, the strain on unpaid caregivers will only increase. Approximately 16% of adults in our state expect to provide care within the next two years.<sup>5</sup>

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<sup>1</sup> 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.

<sup>2</sup> "[Older Hawai'i Voters Overwhelmingly Support Caregivers](#)", AARP Hawai'i, 2025.

<sup>3</sup> "[The Huge Financial Toll of Family Caregiving](#)", AARP, November 2025.

<sup>4</sup> "[Valuing the Invaluable 2023 Update: Strengthening Supports for Family Caregivers](#)", AARP.

<sup>5</sup> "[Adults Who Expect to Provide Care for a Loved One With Health Problem in Next 2 Years](#)", Hawai'i Health Matters, 2024.



### **Benefits of a Caregiver Tax Credit**

Research in other states shows that caregiver tax credits significantly offset the financial burden of providing unpaid care, making it easier for caregivers to maintain employment and economic stability.<sup>6</sup> Caregiver credits also uplift community-based care options by helping families keep loved ones at home, rather than forcing them to make difficult decisions about balancing their financial security and the long-term needs of aging seniors.

Several state caregiver tax credits already provide direct financial relief. For example, Nebraska's caregiver tax credit reimburses caregivers for 50% of eligible out-of-pocket caregiving expenditures, up to a maximum credit of \$2,000 annually (or up to \$3,000 if the care recipient is a veteran or diagnosed with dementia).<sup>7</sup> We should follow suit in Hawai'i, where even modest credits will recognize that caregiver contributions are an essential part of our social safety net.

We urge your committee to support this bill, so that families can continue to assist those they love in financially sustainable ways. Mahalo for the opportunity to testify.

Mahalo,

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

Kris Coffield  
Policy and Advocacy Associate

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<sup>6</sup> ["Financial and Workplace Security for Family Caregivers"](#), National Academy for State Health Policy, 2021.

<sup>7</sup> [Nebraska Department of Revenue](#), 2026.

2026 Hawaii  
Leadership Board

## Testimony to the Senate Committee on Health and Human Services Friday, March 20, 1:00 PM Hawaii State Capitol, Conference Room 225 and Videoconference

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

Lori McCarney, *Immediate*  
Past Chair Community  
Advocate

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

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

Kai Ohashi,  
Financial Advisor Edward  
Jones

Michael Robinson,  
Vice President Hawaii Pacific  
Health

Kimberly Soares, *Vice*  
President Atlas Insurance

Gino Soquena,  
Executive Director  
Hawaii Building and  
Construction Trade Council

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

Cary Tanaka,  
Past President  
Island Insurance  
Companies

Caroline Witherspoon,  
President Becker  
Communications

LJ R. Duenas,  
Executive Director  
Alzheimer's Association

### RE: House Bill No. 1972 HD2 – RELATING TO TAXATION

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Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

My name is Coby Chock, and I am testifying on behalf of the Alzheimer's Association Hawaii Chapter in **SUPPORT** of HB 1972 HD2, which provides a tax credit for family caregivers.

Family caregivers are the backbone of Hawaii's long-term care system. They provide countless hours of care that range from bathing, preparing meals, and escorting loved ones to medical visits. In addition, many caregivers pay for their loved one's care out of their own pocket. The average cost of assisted living with memory care in Hawaii is approximately \$7,036 per month and the cost of skilled nursing is over \$15,000 per month which is substantially higher than the national average. This cost can be a significant financial burden on families.

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

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

Please support these unsung heroes by passing HB1972 HD2. They all deserve our support. Mahalo for the opportunity to testify in support! If you have questions, please contact me at 808-451-3410 or [ckchock@alz.org](mailto:ckchock@alz.org)



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

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME TAX; Family Caregiver Tax Credit

BILL NUMBER: HB 1972 HD2

INTRODUCED BY: ECD

EXECUTIVE SUMMARY: Establishes a family caregiver tax credit for nonpaid family caregivers. Requires the Department of Taxation to submit annual reports to the Legislature. Appropriates funds. Applies to taxable years beginning after 12/31/2026. Effective 7/1/3000. (HD2)

SYNOPSIS: Adds a new section to chapter 235, HRS, to establish a nonrefundable family caregiver tax credit equal to 75% of “qualified expenses” in any taxable year with a maximum of \$3,000.

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

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

A taxpayer may not claim qualified expenses under this section that are claimed as expenses for household and dependent care services necessary for gainful employment under section 235-55.6, HRS.

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

If the tax credit exceeds the taxpayer’s income tax liability, the excess shall not be carried over to subsequent years.

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

Defines “care recipient” as an individual who: (1) is either a U.S. citizen or qualified alien; (2) does not reside in a long-term care facility, and (3) has impairments of at least one of the following (A) two activities of daily living, (B) two instrumental activities of daily living, (C) one activity of daily living and one instrumental activity of daily living, or (D) substantive cognitive impairment requiring substantial supervision because the individual behaves in a manner that poses a serious health or safety hazard to the individual or another person. The term includes a person with a “disability” as defined in section 515-2, HRS.

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

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

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

Appropriates \$ an unspecified dollar amount of general funds necessary for the infrastructure development and implementation of the credit.

EFFECTIVE DATE: July 1, 3000 for taxable years beginning after December 31, 2026; and appropriation of funds effective on July 1, 2026.

STAFF COMMENTS: If tax liability exists, the proposed tax credit is a 75% refund of qualified expenses. It is a nonrefundable credit with no carryover, which may mean that if a taxpayer is eligible to claim refundable credits to wipe out tax liability, refundable credits are applied first (per section 235-91.5, HRS) so this credit would seem to be unusable. It does not seem equitable to penalize taxpayers simply because they have other available credits. This problem would not exist with a refundable credit, or with a subsidy program that does not involve the tax system at all.

Re: HB 1972 HD2

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

Digested: 2/24/2026



**Testimony to the Senate Committee on Health and Human Services  
Friday, March 20, 2026; 1:00 p.m.  
State Capitol, Conference Room 225  
Via Videoconference**

**RE: HOUSE BILL NO. 1972, HOUSE DRAFT 2, RELATING TO TAXATION.**

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** of House Bill No. 1972, House Draft 2, RELATING TO TAXATION.

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

This bill, as received by your Committee, would:

- (1) Establish a nonrefundable tax credit (credit) for nonpaid family caregivers; and
- (2) Appropriate an unspecified amount of general funds for fiscal year 2026-2027 for infrastructure development, and implementation and certification of the credit.

The bill take effect on July 1, 3000.

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

*“ . . . Family caregivers in Hawaii work tirelessly without pay to keep parents and spouses at home, or out of costly nursing homes. If you are a family caregiver or know someone who is, then you know it takes an*

*emotional toll, but it also has a real financial cost. They sacrifice income, job security, and their savings.*

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

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

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

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

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

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

**HCAOA  
Hawaii Chapter Board**

Dew-Anne Langcaon  
*Chair*  
*Vivia by Ho'okele Home  
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*Bayada Home Health Care*

Alison Lee  
*Education Co-Chair*  
*BrightStar Care of Honolulu*

**TO:** Senator Buenaventura, Chair  
Senator McKelvey, Vice Chair  
Members of the Senate Committee on Health and Human  
Services

**RE:** HB1972 HD2 - RELATING TO TAXATION  
(Family Caregiver Tax Credit)

**HEARING DATE:** March 20, 2026, 1:00 PM

**POSITION: SUPPORT WITH COMMENTS**

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Dear Chair Hagan, Vice Chair Hussey, and Members of the Committee:

The Home Care Association of America (HCAOA) Hawaii Chapter respectfully submits testimony in **SUPPORT WITH COMMENTS** on HB1972 HD2, which establishes a family caregiver tax credit for nonpaid family caregivers. This measure applies to taxable years beginning after December 31, 2026.

**Support for the Family Caregiver Tax Credit**

HCAOA Hawaii supports recognition of the extraordinary contributions made by family caregivers. In Hawaii, unpaid caregivers provide the vast majority of long-term care, saving the State's Medicaid system billions of dollars annually. A tax credit that offsets the real, out-of-pocket expenses families incur is a welcome step toward valuing this essential work.

**Comments - Ensure Professional Home Care Is a Qualified Expense**

HCAOA Hawaii respectfully requests that the Committee amend HB1972 HD2, to explicitly list professional home care services provided by a licensed home care agency (as defined under HAR 11-97) as a qualified expense eligible for the tax credit. Our specific concerns and rationale are as follows:

- This income bracket closely matches the population referred to as the "gap group" - families who earn too much to qualify for Medicaid-funded home care but struggle to afford the full cost of professional services. Home care services are generally not covered by Medicare or commercial health insurance and as such many families end up depleting private assets to cover the costs. If the credit can to offset the cost of qualified caregivers who can assist families care for their senior loved one while they are at work, or at times when they need respite from the demands of care, families can continue to support seniors at home and avoid the risks of caregiver burnout and extend the longevity of families caring for seniors in their own homes.

**HCAOA  
Hawaii Chapter Board**

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Oahu*

Cory Kataoka  
*Education Co-Chair*  
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Alison Lee  
*Education Co-Chair*  
*BrightStar Care of Honolulu*

- The qualifying care recipient profile - individuals with significant activities of daily living (ADL) impairments or cognitive impairment who do not reside in long-term care facilities - is the exact population that home care agencies serve. Excluding professional home care from qualified expenses would be an oversight given the bill's stated goal of supporting those who provide care at home.
- Including professional home care as a qualified expense would create a bridge between unpaid family caregiving and licensed professional support, reducing caregiver burnout and improving safety outcomes for care recipients. Research consistently demonstrates that supplementing family care with professional services delays institutionalization and reduces emergency utilization.

HCAOA Hawaii also requests that the annual report required by the Department of Taxation include data on the types of qualified expenses claimed, which would help the legislature evaluate whether families are able to access professional care through this credit.

We urge the Committee to pass HB1972 HD2, with the requested amendment. Thank you for the opportunity to provide testimony.

Respectfully submitted,

**Cecilia Fong**

Advocacy Chair, Home Care Association of America - Hawaii Chapter  
Administrator, Griswold Home Care for Oahu

**About HCAOA Hawaii Chapter**

The Home Care Association of America (HCAOA) is a national trade association for home care providers. The HCAOA Hawaii Chapter, established in 2025, represents licensed home care and home health agencies throughout the state that work alongside family caregivers daily, providing professional support that enables kupuna to age safely in their homes.

March 18, 2026

Senate Committee on Health and Human Services  
Chair Joy A. San Buenaventura  
Vice Chair Angus L.K. McKelvey  
Members of the Committee

**Re: HB 1972 HD 2 – Relating to Taxation – SUPPORT**

Aloha kākou!

LeadingAge Pacific West is pleased to support House Bill 1972 HD2 which would establish a nonrefundable tax credit for nonpaid family caregivers.

LeadingAge Pacific West is a leading advocate for quality, mission-driven housing, care and services for older adults. Our nonprofit members include providers of affordable senior housing, residential care facilities for the elderly (assisted living), life plan communities, skilled nursing care, home and community-based services, home health and hospice care.

According to AARP's Caregiving in the US 2025 report 23% of adults living in Hawaii are providing care to a family member or friend<sup>1</sup>. Of the 260,000 caregivers 49% reported experiencing a negative financial impact as a result of their caregiving. HB 1972 HD 1 offers support through a tax credit that will go a long way toward providing some financial stability to low-income family members caring for the state's most vulnerable population. Family caregivers are critical to the state's long-term services and supports system.

As the state's older adult population rapidly grows, it is imperative that support is provided to the unpaid caregivers filling the gaps in their social and health care needs. HB 1972 HD 2 is a positive step toward providing financial support to the state's low-income family caregivers. For these reasons, LeadingAge Pacific West is pleased to support HB 1972 HD 2 and urges you to pass this important measure.

Sincerely,  
Amber King  
Vice President, Legislative Affairs

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<sup>1</sup> AARP Caregiving in the US 2025: [Spotlight on Hawai'i](#)

To: Senate Committee on Health and Human Services  
Re: **HB1972 HD2 – Relating to Taxation**  
Hawai'i State Capitol & Via Videoconference  
March 20, 2026, 1:00 PM

Aloha Chair San Buenaventura, Vice Chair McKelvey, and members of the committee,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB1972 HD2**. This bill establishes a family caregiver tax credit for nonpaid family caregivers, appropriates funds, and requires annual reports to the Legislature.

Across Hawai'i, tens of thousands caregivers are juggling employment, household responsibilities, and caregiving, often at significant personal expense. Many are members of the "sandwich generation," needing to care for both their keiki and kūpuna.

Hawai'i has 154,000 unpaid caregivers for just adult family members, providing 144 million hours of care worth \$2.6 billion per year,<sup>1</sup> and those numbers will continue to increase as our population ages.

Meanwhile, nearly half of children in Hawai'i live in households experiencing financial hardship. While almost 1 in 8 are in poverty, an additional 1 in 3 aren't officially poor but still don't earn enough to afford the basic life essentials.<sup>2</sup>

That's where tax credits come in. They help people keep more of their hard-earned money, and when targeted for lower- to middle-income families, help reduce financial hardship.

This bill would provide a tax credit of up to \$3,000 for expenses incurred by family caregivers to care for a loved one at home. To qualify, taxpayers could earn up to \$75,000 per year for single filers or \$125,000 for married couples.

Establishing this tax credit would help families keep their loved ones safe, comfortable, and connected to their communities while reducing pressure on family budgets, long-term care facilities and the broader healthcare system.

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

Thank you,

Nicole Woo  
Director of Research and Economic Policy

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<sup>1</sup> <https://www.aarp.org/content/dam/aarp/ppi/2023/3/valuing-state-estimates.doi.10.26419-2Fppi.00082.009.pdf>

<sup>2</sup> <https://www.auw.org/about/alice-initiative/alice-reports/>



[www.AlohaILHawaii.org](http://www.AlohaILHawaii.org)

Mar 20, 2026

#### MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

#### EXECUTIVE DIRECTOR

Roxanne U. Bolden

#### BOARD OF DIRECTORS

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The Honorable Joy A. San Buenaventura, Chair  
Senate Committee on Health and Human Services  
The Thirty-Third Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

**SUBJECT:** HB1972 HD2 – Relating to Taxation

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) respectfully submits testimony in **strong support of HB1972 HD2.**

HB1972 HD2 establishes a nonrefundable family caregiver tax credit for nonpaid family caregivers who incur out-of-pocket costs to support care recipients living at home in the community. This includes expenses related to home modifications, durable medical equipment, transportation, assistive technology, and other supports that help prevent or delay institutionalization.

Family caregivers are the backbone of Hawaii's long-term care system, providing an estimated 260,000,000,000 dollars in unpaid care each year so that loved ones can remain in their homes and communities. Many of these care recipients are people with disabilities who would face higher risk of institutionalization without this unpaid support. HB1972 HD2 recognizes this essential role and offers meaningful relief for caregivers who are already sacrificing their own time, health, and financial stability.

From an Independent Living perspective, this measure directly supports community-based living and autonomy for people with disabilities and older adults. By helping caregivers afford home-based supports—such as ramps, grab bars, personal care assistance, and transportation—HB1972 HD2 makes it more realistic for disabled people and kupuna to stay in their own



[www.AlohaILHawaii.org](http://www.AlohaILHawaii.org)

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### Member

Scott Suzuki  
Sheila Castaneda  
Jennifer Hartssock

homes, maintain natural relationships, and avoid unnecessary placement in institutional settings.

Importantly, the bill's definition of "care recipient" explicitly includes people with disabilities and requires that they live outside institutional facilities. This aligns with the disability community's long-standing goal of ensuring that services and supports follow the person into the community, rather than only being available in congregate settings.

HD1972 HD2 is a practical, targeted way to recognize and support family caregivers while advancing Hawaii's commitment to community integration and Independent Living for people with disabilities and older adults. AILH respectfully urges the Committee to pass this measure.

Thank you for the opportunity to testify.

Aloha,

Roxanne Bolden

Executive Director

**HB-1972-HD-2**

Submitted on: 3/17/2026 3:24:38 PM

Testimony for HHS on 3/20/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rick Tabor	Individual	Support	Written Testimony Only

Comments:

Thank you for your committee hearing on the Family Caregiver Tax Credit HB1972.

I am Rick Tabor, a retired Licensed Mental Health Professional who is active in many Kūpuna Advocacy organizations. Before retiring, I was the Operations Manager of an in-home care company. My job was to hire and train Hawaii Care Givers. I did that for 4 years, after a 50 year mental health counselor/supervisor career. I arrived in Hawaii in 1976 and served as a Field Medical Navy Corpsman, stationed with Kaneohe's Marines. Upon discharge I studied at Chaminade while working part-time as a 'Care Giver' in Hawaii's first Adult Family Homes. More recently, my family experienced our parents end of life events. As some of you know, regardless one's expertise, when dealing with your loved one's, every day humbles you.

I stand in strong support of Family Caregiver Tax Credit HB1972.

As an expert in the care giver field, I'm disappointed

In a (related) late 2025 federal proposal. The Trump administration targeted the removal of over 60 rules affecting home health care workers, specifically aimed at overturning 2013 regulations that granted minimum wage and overtime protections to our care giver workers. The initiative, supported deregulation rules for HHS that seeks to reclassify home care care giver workers by reducing labor costs.

Those in the know say this proposal reverses decades of care giver workforce gains creating a loss of professional recognition for our valuable, hard working 'Earth Angels' who are essential care givers that are so hard to find, train and sustain.

The Trump administration states their cuts are part of a broader administration vision to cut federal workplace regulations, framing the current regulations as "unlawful" and unnecessary, with a mission to cut costs to promote industry flexibility. The opposite outcome is predicted by those of us who worked 'in-the-industry.'

Meanwhile, since Trump took office, the U.S. has significantly increased spending on defense and homeland security, including over \$170 billion in additional funding for DHS in his second term and a 2024 defense budget of \$841.4 billion. Key investments include over \$11 billion for border wall construction and at least \$2 billion in DoD funds for immigration. But I digress to make a point.

What does this have to do with Family Caregiver Tax Credit HB1972? Thank yiu for asking. The Family Caregiver Tax Credit HB1972 is an AARP priority bill that recommends Hawaii State offer eligible family caregivers a \$3,000 tax credit for their out-of-pocket caregiving expenses for a loved one at home. It is hoped to be something that helps a little, in a situation that needs so much more.

As you know, Hawaii is experiencing a critical, growing shortage of care givers to help our Islands rapidly aging population and those living with disabilities. There are currently thousands of vacant positions for nurses, nursing assistants, and home health aide/ care givers. Sadly, there's an extremely high turnover rate related to low wages, and Hawaii's high cost of living driving this crisis. Resulting in long waitlists for in-home services and putting immense pressure on unpaid, untrained family care givers. Note; Studies estimate that between 18% and 40% of caregivers, particularly those caring for spouses with dementia, die before the patient.

Other factors contributing to Hawaii's care giver shortage is our aging workforce, fewer young adults willing to be care givers and an increased loss of immigrant workers. Care giver turnover is up 40-60% nationally. Low pay is a huge deterrent, with home health aide /care giver median wages being around \$12.69/hour in 2018. Note; the federal minimum wage in the United States is \$7.25 per hour, a rate that has been in effect since July 24, 2009. Who, I ask, who can live in Hawaii on that wage?

The Family Caregiver Tax Credit HB1972 is a priority bill that recommends Hawaii State offer eligible family care givers a \$3,000 tax credit for their out-of-pocket caregiving expenses for a loved one at home. Your support would mean a lot to our kūpuna, their families and Earth Angel Care Givers.

Thank you for your thoughtful consideration. I appreciate all you do for Hawaii!

Mahalo Nui Loa,

Rick Tabor

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# A BILL FOR AN ACT

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that family caregivers  
2 are the backbone of the long-term care system in the State.  
3 AARP's latest report, "Caregiving in the U.S. 2025: Caring  
4 Across States", found that about two hundred sixty thousand  
5 Hawaii residents are family caregivers, providing largely unpaid  
6 and unsupported care to older parents, spouses, and other loved  
7 ones.

8           Family caregivers provide more than \$2,600,000,000 in  
9 unpaid care each year in Hawaii, helping adult family members  
10 live independently at home and in their communities. Caregiving  
11 services can range from managing personal finances and  
12 transporting for medical visits to providing twenty-four-hour  
13 supervision and assisting with bathing, toileting, and dressing  
14 so that their loved ones are not prematurely institutionalized  
15 and can remain in their homes.

16           The legislature further finds that nonpaid family  
17 caregivers face many physical, emotional, and financial



1 challenges and often balance caregiving with work and other  
2 personal responsibilities. A 2021 national study found that, on  
3 average, family caregivers spend twenty-six per cent of their  
4 income on caregiving services; nearly eight in ten caregivers  
5 report having routine out-of-pocket expenses related to  
6 caregiving; and that these out-of-pocket expenses average \$7,242  
7 per year. The legislature believes that the demands on family  
8 caregivers are not isolated family issues and that the State  
9 should assist in the delivery of meaningful support and  
10 solutions for those that provide unpaid long-term care services  
11 in the State.

12 Accordingly, the purpose of this Act is to establish a  
13 nonrefundable tax credit for nonpaid family caregivers.

14 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
15 amended by adding a new section to be appropriately designated  
16 and to read as follows:

17 "§235- Family caregiver tax credit. (a) Each eligible  
18 taxpayer subject to the tax imposed by this chapter may claim a  
19 family caregiver tax credit against the taxpayer's individual  
20 net income tax liability, if any, imposed by this chapter for  
21 the taxable year in which the credit is properly claimed.



1        (b) The family caregiver tax credit shall be equal to  
2 seventy-five per cent of the qualified expenses of the eligible  
3 taxpayer, up to a maximum of \$3,000 in any taxable year;  
4 provided that married individuals who do not file a joint tax  
5 return shall only be entitled to claim the tax credit to the  
6 extent that they would have been entitled to claim the tax  
7 credit had they filed a joint return.

8        (c) An eligible taxpayer may claim the tax credit for  
9 every taxable year or part thereof that the eligible taxpayer:

10        (1) Provides care to a care recipient during the taxable  
11 year;

12        (2) Has personally incurred uncompensated expenses  
13 directly related to the care of a care recipient; and

14        (3) Has not claimed the care recipient as a dependent for  
15 the purpose of a tax deduction in the same taxable  
16 year.

17        (d) Only one eligible taxpayer per household may claim a  
18 tax credit under this section for any care recipient cared for  
19 in a taxable year. Only one tax credit under this section shall  
20 be claimed by an eligible taxpayer in any one taxable year,



1 regardless of the number of care recipients receiving care from  
2 the eligible taxpayer.

3 (e) The director of taxation:

4 (1) Shall prepare any forms that may be necessary to claim  
5 a tax credit under this section;

6 (2) May require the taxpayer to furnish reasonable  
7 information to ascertain the validity of the claim for  
8 the tax credit made under this section, including a  
9 letter from a licensed health care provider confirming  
10 that the care recipient meets the criteria of the  
11 definition of that term in subsection (i); and

12 (3) Shall adopt rules pursuant to chapter 91 necessary to  
13 carry out this section.

14 (f) The credit authorized by this section shall not be  
15 used to reduce the tax liability of the taxpayer to less than  
16 \$0. If the tax credit under this section exceeds the taxpayer's  
17 net income tax liability, the excess of the credit over  
18 liability shall not be carried over to subsequent years. All  
19 claims for the tax credit under this section, including amended  
20 claims, shall be filed on or before the end of the twelfth month  
21 following the close of the taxable year for which the credit may



1 be claimed. Failure to comply with the foregoing provision  
2 shall constitute a waiver of the right to claim the credit.

3 (g) A taxpayer shall not claim qualified expenses under  
4 this section that are claimed as expenses for household and  
5 dependent care services necessary for gainful employment under  
6 section 235-55.6.

7 (h) The department of taxation shall submit a report to  
8 the legislature no later than twenty days prior to the convening  
9 of each regular session on the number of eligible taxpayers  
10 claiming the tax credit and the total cost of the tax credit  
11 under this section to the State during the preceding taxable  
12 year.

13 (i) For the purposes of this section:

14 "Activities of daily living" has the same meaning as  
15 defined in section 349-16.

16 "Care recipient" means an individual who:

17 (1) Is a citizen of the United States or a qualified  
18 alien; provided that for the purposes of this  
19 paragraph, "qualified alien" means a lawfully admitted  
20 permanent resident under the Immigration and  
21 Nationality Act;



1       (2) Does not reside in a long-term care facility, such as  
2       an intermediate care facility, assisted living  
3       facility, skilled nursing facility, hospital, adult  
4       foster home, community care foster family home, adult  
5       residential care home, expanded adult residential care  
6       home, or developmental disabilities domiciliary home;  
7       and

8       (3) Has impairments of at least one of the following:

9       (A) Two activities of daily living;

10       (B) Two instrumental activities of daily living;

11       (C) One activity of daily living and one instrumental  
12       activity of daily living; or

13       (D) Substantive cognitive impairment requiring  
14       substantial supervision because the individual  
15       behaves in a manner that poses a serious health  
16       or safety hazard to the individual or another  
17       person.

18       "Care recipient" includes a person with a disability, as  
19       disability is defined under section 515-2.

20       "Eligible taxpayer" means any relative of a care recipient  
21       who:



- 1       (1) Has a federal adjusted gross income of \$75,000 or  
2       less, or \$125,000 if filing a joint tax return; and  
3       (2) Has undertaken the care, custody, or physical  
4       assistance of the care recipient.

5       "Instrumental activity of daily living" has the same  
6       meaning as defined in section 349-16.

7       "Licensed health care provider" means a physician or an  
8       osteopathic physician licensed under chapter 453, a physician  
9       assistant licensed under chapter 453, or an advanced practice  
10      registered nurse licensed under chapter 457.

11      "Qualified expenses" means out-of-pocket expenses directly  
12      incurred by the eligible taxpayer in providing care to a care  
13      recipient that have not been reimbursed, credited, paid, or  
14      otherwise covered by another individual, organization, provider,  
15      or government entity. "Qualified expenses" include but are not  
16      limited to:

- 17      (1) The improvement of or alteration to the eligible  
18      taxpayer's primary residence in order to permit the  
19      care recipient to live in the residence and remain  
20      mobile, safe, and independent, including entrance



- 1           ramps, safety grab bars by toilets, and the conversion  
2           of tubs to accessible showers;
- 3           (2) The purchase or lease of equipment and supplies,  
4           including but not limited to durable medical equipment  
5           and portable commodes, necessary to assist a care  
6           recipient in carrying out one or more activities of  
7           daily living; and
- 8           (3) Other expenses paid or incurred by the eligible  
9           taxpayer that assist the eligible taxpayer in  
10           providing care to a care recipient, such as  
11           expenditures related to:
- 12           (A) Home care aides or chore workers;  
13           (B) Respite care;  
14           (C) Adult day care or adult day health center  
15           services;  
16           (D) Personal care attendants;  
17           (E) Transportation, including but not limited to  
18           paratransit service for non-emergency medical  
19           transport;  
20           (F) Health care equipment; and



1           (G) Assistive technology, including emergency alert  
2           systems and voice activated medication dispensers  
3           or reminders.

4           "Relative" means a spouse, child, parent, sibling, legal  
5 guardian, reciprocal beneficiary as defined in section 572C-3,  
6 partner as defined in section 572B-1, or any other person who is  
7 related to a care recipient by blood, marriage, or adoption,  
8 including a person who has a hanai or substantial familial  
9 relationship to the care recipient."

10           SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$                    or so  
12 much thereof as may be necessary for fiscal year 2026-2027 for  
13 infrastructure development and implementation of the family  
14 caregiver tax credit.

15           The sum appropriated shall be expended by the department of  
16 taxation for the purposes of this Act.

17           SECTION 4. New statutory material is underscored.

18           SECTION 5. This Act shall take effect on July 1, 3000;  
19 provided that:

20           (1) Section 2 shall apply to taxable years beginning after  
21           December 31, 2026; and



1 (2) Section 3 shall take effect on July 1, 2026.



**Report Title:**

Kupuna Caucus; DOTAX; Family Caregiver Tax Credit; Report;  
Appropriation

**Description:**

Establishes a family caregiver tax credit for nonpaid family caregivers. Requires the Department of Taxation to submit annual reports to the Legislature. Appropriates funds. Applies to taxable years beginning after 12/31/2026. Effective 7/1/3000. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*



THE SENATE  
KA' AHA KENEKOA

Notice of Hearing  
Friday, March 20, 2026  
1:00 p.m.

RELATING TO TAXATION  
H.B. 1972, HD2

Committee on Health & Human Services

Aloha Chair San Buenaventura, Vice Chair McKelvey and Members of the Committee on Health & Human Services.

My name is Carol Wakayama and I wish to submit testimony in **STRONG SUPPORT** of H.B. 1972, HD2 which would establish a non-refundable tax credit for non-paid family caregivers.

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

H.B. 1972, HD2 establishes non-refundable Family Caregiver Tax Credits for providing family caregiving. If passed, H.B. 1972, HD2 could help family caregivers by providing tax credits for purchasing items such as disposable diapers, other hygiene products and groceries.

Passage of H.B. 1972, HD2 might also encourage other family members to come forward to provide care to family members, even though they are currently financially unable to provide such help to their loved ones.

For reasons mentioned above, I humbly request that H.B. 1972, HD2 be considered for passage. Thank you.

Carol Wakayama, Punchbowl

**HB-1972-HD-2**

Submitted on: 3/18/2026 12:53:00 PM

Testimony for HHS on 3/20/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nai`a NEWLIGHT	Individual	Support	Written Testimony Only

Comments:

Testimony on House Bill No. 1972, HD2

RELATING TO TAXATION

Friday, March 20, 2026 at 1:00 pm

Conference Room 225 & Videoconference

State Capitol

415 South Beretania Street

Aloha Chair San Buenaventura and Members of the Committee:

My name is Nai`a NEWLIGHT and I am testifying in **STRONG SUPPORT of HB 1972, HD2, which establishes a nonrefundable tax credit for nonpaid family caregivers.**

Family caregivers are the backbone of Hawai‘i’s long-term care system. Every day, unpaid caregivers provide countless hours of essential care that would otherwise fall to already overstretched healthcare and long-term care systems. They do this quietly, out of love and responsibility, often at great personal sacrifice.

A modest tax credit, such as the one proposed in H.B. 1972, HD2, would not erase these sacrifices—but it would make a meaningful difference. It would help offset unavoidable caregiving expenses, ease financial strain, and acknowledge the vital role that family caregivers play in supporting our kupuna and individuals with disabilities.

Mahalo for the opportunity to testify in support!

Nai`a NEWLIGHT

2040 Kauhikoa Rd.

Ha`iku HI. 96708-5823

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair

Senator Angus L.K. McKelvey, Vice Chair

NOTICE OF HEARING

DATE: Friday, March 20, 2026, 1:00pm

Re: HB 1972HD2 RELATING TO TAXATION

Aloha Chair San Buenaventura and Vice Chair McKelvey. My name is Linda Dorset, and I am in STRONG SUPPORT of HB 1972 HD2 which establishes a nonrefundable tax credit for nonpaid family caregivers.

As a senior citizen resident of Hawaii I am concerned that the cost of my care, should I become too weak to take care of myself will overburden my already financially struggling son. I'm one of the lucky ones; I do have Long Term Care Insurance that costs me \$339/month and will pay 250/day (7,500/month). Sounds pretty good but the current cost of a nursing home is over \$12,000/month and assisted living care is about \$10,000/month. I recently participated in a webinar where the speaker reiterated the idea that an overwhelming majority of Hawaii's seniors will not be able to afford assisted living, and counting on being able to pay down assets in order to qualify for Medicaid is out of the question. So it seems relying on a family caregiver is inevitable.

Every day, unpaid caregivers provide countless hours of essential care that would otherwise fall to an already overstretched healthcare and long-term care systems. I am fearing the possible day when I can no longer take care of myself and care falls to my son. He would be in danger of sacrificing his free time and possibly his employment. A modest tax credit, such as the one proposed in H.B. 1972 HD2, would not erase these sacrifices—but it would help with caregiving expenses, thereby easing financial strain. I am asking you to acknowledge the vital role that family caregivers play in supporting our kupuna and individuals with disabilities.

Mahalo for the opportunity to testify in support!

Linda Dorset  
Hawaii Senior Citizen

## Research Information Services

Friday, March 20, 2026  
Conference Room 225 & Videoconference

### Senate Committee on Health & Human Services

To: Chair, Joy San Buenaventura  
Vice Chair, Angus McKelvey

FROM: Melvin Sakurai Ph.D., Research Information Services

RE: **Testimony SUPPORTING HB 1972 HD-2**  
**Relating to tax credits for unpaid family caregivers**

---

My name is Melvin Sakurai and I am a management consultant who has been involved with the issue of financing long-term care for more than three decades; co-leading program design and development for the Governor's Executive Office On Aging and principle author of the *1991 Long-Term Care Financing Report to the Legislature*. I also did pro-bono collaborative work on the mandatory financing plan passed by the Legislature in 2003 (SB 1088, SD2, HD2, CD1) that was subsequently vetoed by then Governor Lingle.

I am writing to express **SUPPORT for HB 1972 HD-2** that will establish a family caregiver tax credit for nonpaid family caregivers.

### **The need for direct financial support is evident in the hidden plight of Hawai'i's unpaid community caregivers**

The vast majority of Hawai'i's Long-Term Services & Supports (LTSS) bill is now borne by unpaid community caregivers who shoulder an estimated 74.1% of the total (roughly \$2.4 BILLION). By comparison, Medicaid, often portrayed as the primary payer of LTSS, pays for only an estimated 16.7% of Hawai'i's total estimated LTSS bill.

While the estimated dollar value of direct care provided by unpaid Hawaii community caregivers (which does not include volunteer services) is daunting, it is not fully reflective of the indirect collateral toll and hardships endured—which are often harsh and physically, mentally, and financially ruinous.

Our current LTSS financing and services system has largely failed, and some would say abandoned, our unpaid community caregivers. Token caregiver supports like sporadic respite, while better than nothing, can hardly compensate for the often devastating consequences and effects of making up for the shortcomings of a paid LTSS services system that is expensive, underfunded, and has insufficient resources.

National research findings can give us a picture of the plight suffered by unpaid Hawaii community caregivers (there is no reason to believe circumstances for unpaid Hawaii community caregivers would be more benign).<sup>1</sup>

### A Toll on Caregiver Well-Being: Creating a New Cohort Needing Care

- **Many caregivers neglect their own health; placing themselves at risk of becoming a new cohort needing care:** 23% (about 1 in 4) of caregivers report having difficulty caring for their own health as a consequence of caregiving. This is not surprising given the care burden they bear and the physical and emotional strains suffered as a result of caregiving. For caregivers who reported difficulties caring for themselves:
  - 48.4, average age of the caregiver
  - 66.2, average age of the care recipient
  - 57% were providing “high intensity” care involving an average of 2.1 ADL and 5.1 IADL deficiencies
  - 32.9 hours of weekly caregiving
  - 55% experienced feeling lonely
  - 38% reported experiencing high physical strain
  - 70% experienced high emotional stress
  - 36% experienced high financial stress
  - **72% indicated they had no choice about taking on care**
- **Many caregivers experience emotional stress:** 36% (nearly 4 in 10) of caregivers regard their caregiving circumstance as being highly stressful.

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<sup>1</sup> AARP, National Alliance for Caregiving, *Caregiving in the U.S.*; CDC/NCHS, *Summary Health Statistics: National Health Interview Survey, 2018*; BlueCross BlueShield Health of America, *The Economic Consequences of Millennial Health*, November 2019,

- **Many caregivers experience feelings of being alone and isolated:** 21% (1 in 5) caregivers feel alone and isolated.

These are profoundly serious risks for unpaid community caregivers that could very well result in a new cohort of persons who become in need of care services as a result of their caregiving—amplifying the financial and demand burden for an already overburdened and underfunded LTSS system.

### Direct Financial Adversities Suffered by Unpaid Caregivers: Seriously Compromising Financial Planning for Their Own Needs

- **The direct financial strain resulting from caregiving is severely affecting the financial planning for future needs:** 18% (almost 1 in 5) of all caregivers report significant short-term and long-term strain as a consequence of their caregiving. Financial stress is even higher for prime working-age adults 18-49, 34% of whom report suffering financial strains.

The financial strains and compromises suffered have serious near- and long-term consequences:

- 28% of caregivers stopped saving
- 23% of caregivers had to take on more debt
- 22% of caregivers had to completely deplete personal savings
- 19% of caregivers had unpaid or late-paid bills
- 15% of caregivers were forced to borrow from family and friends

### Careers Ruined

- **61% of unpaid community caregivers are employed and there are grave consequences for their caregiving**
  - 60% work full time, 15% work between 30-39 hours per week;
  - 35.7 hours per week: average for employed caregivers
  - The ratio of work to caregiving hours is punishing and not sustainable:
    - \* Caregivers of their parents worked 36.9 hours per week on average while providing 20.8 hours of care.
    - \* Caregiving spouses worked 35.7 hours per week on average and provided 36 hours of care.
- **The coping behavior of employed caregivers to accommodate their caregiving can be ruinous for their careers, compromise prospects for**

**advancement, and limit pay increases—making financial consequences even worse**

- 53% reported going in late, leaving early, and taking time off
- 15% shifted to part-time employment or reducing work hours
- 14% had to take leaves of absence
- 8% received performance or attendance warnings
- 7% turned down promotions
- 6% quit working entirely
- 5% retired early
- 4% loss job benefits

The harsh and severe physical, mental, and financial consequences suffered by Hawaii's unpaid community caregivers are especially insidious because they can ruin families, undermine preparing, and have lingering effects for "life after caregiving" (such as bankruptcy, ruined careers and credit ratings, and the onset of chronic health conditions as a result of caregiving).

The irony is that because of financing and service system failures, acts of kindness by Hawaii's unpaid caregivers is contributing to creating the next new cohort of high-need patients who must deal with scarce care resources—in a vicious cycle.

And the specter of creating a new cohort of homeless kupuna as a result of our neglect and harsh Medicaid spend-down rules is unacceptable.

Please support passage of HB 1972 HD2.

**Testimony on House Bill No. 1972, HD2**

**RELATING TO TAXATION**

**Friday, March 20, 2026 at 1:00 pm**

**Conference Room 225 & Videoconference**

**State Capitol**

Aloha Chair San Buenaventura and Members of the Committee:

My name is Sai Peng Tomchak. I am a long-time Maui resident and am in strong support of House Bill no. 1972, HD2.

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

A modest tax credit, such as the one proposed in HB 1972, HD2, would benefit caregivers and the State of Hawaii as a whole in several ways:

- It would provide caregivers with some much needed financial relief.
- It would recognize the important role of caregivers in our family oriented communities of Hawaii.
- It would serve as a financial incentive to keep caregivers' loved ones with disabilities at home. If they send their loved ones to foster homes or assisted living facilities, it would likely initiate Medicaid claims, which would cost the government a lot more than caregiver tax credit would.

Caregiver tax credit is as needed (if not more desperately needed) by caregivers as child tax credits needed by parents. I respectfully ask you to support and pass this bill.

Mahalo for giving me this opportunity to testify!

Sai Peng Tomchak  
Maui resident

**HB-1972-HD-2**

Submitted on: 3/19/2026 10:04:18 AM

Testimony for HHS on 3/20/2026 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Sara Lenzer Medeiros	Individual	Support	Written Testimony Only

Comments:

Comments:

My mother was dying, and we did what we could to help alleviate her suffering. But it really wasn't enough. It turns out she was a "Sundowner" which meant that she needed 24 hour care and some supervision. It was heartbreaking to see her health and cognition deteriorate as rapidly as it did. Mom had been caregiver to our grandmother, and of course our father and us! Five kids. And now she needed care for herself.

My middle sister, Libby a Kailua Oahu Public School special education teacher, elected to take time off without pay, to care for Mom. She didn't think it would a whole year. It turned out that our Dad needed the care too. Although we all helped while we could, three of the five of us had previously moved to the mainland. I had moved to Hawaii Island to raise my children there. Eventually, Mom's care required hospice. And appropriate care was provided. Meanwhile, my sister had moved in with her daughters to my parent's house. She helped without a paycheck, as eventually her days of leave ran out. Dad too continued to work, even though he also needed assistance with daily living activities.

HB 1972 would have helped our situation in a small but significant way, to help ease the additional burdens of caring for two elderly family members. Having the tax credit would have offset much of the costs associated with special equipment, gas to and from a myriad of doctor's appointments, and the medications that Medicare didn't cover. Parents are gone now.

Thank you for the opportunity to support this important bill. Going forward, as an aging Kupuna myself aged 72 and my husband 84, may realistically need care someday soon. To that end, our son and his family with small children will be moving into our house and create a multi-generational home.

A Family Caregiver Tax Credit would be especially helpful for us. Please consider supporting this important bill.

**PRESIDENT & CEO**

Sheri Strahl, MPH, MBA

Committee on Health and Human Services

**OFFICERS**

Jared Gill

Chair

Friday, March 20, 2026 1:00 PM

Simon Wise

Vice Chair

Chair San Buenaventura, Vice Chair McKelvey, and members of the Committee:

Pranjal Shah

Treasurer

The ALS Network respectfully submits testimony in strong support of HB 1972 HD2. This bill would establish a family caregiver tax credit for nonpaid family caregivers.

Mary Ann Wittenberg

Secretary

ALS Network is a nonprofit, nonpartisan organization serving individuals and families living with ALS in Hawaii. Through Care, Research, and Advocacy, we work to ensure people affected by ALS have access to comprehensive support, advance scientific progress toward treatments and cures, and promote policies that strengthen access to care. In Hawaii, our focus includes providing direct care services and support to families navigating this devastating disease. On behalf of the communities we serve, thank you for the opportunity to provide testimony.

Aubrey Rupinta, Esq.

Member-at-Large

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ALS is a devastating, fatal disease that robs a person of the ability to move, talk, swallow, and breathe. People diagnosed with ALS gradually become unable to work, care for themselves, communicate, or engage with others in their communities without assistance. Care for people with ALS is complex, and disease progression varies widely. Most individuals diagnosed with ALS remain at home for the duration of their illness. Approximately 15% also experience frontotemporal dementia. The physical, emotional, and financial impact of this disease places extraordinary strain on families.

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Most ALS caregivers are already sacrificing their income to provide care – many have reduced work hours or even left their jobs to be full-time caregivers. The result is a double financial hit: lost income and increased expenses. Over the course of an ALS patient's illness (often 2–5 years from diagnosis), a family can exhaust their savings and retirement funds just trying to keep up with care needs. Families frequently incur significant out-of-pocket costs for home modifications, medical equipment, transportation, and other supports not fully covered by insurance. It is not unusual for an ALS family to face tens of thousands of dollars in uncovered expenses.

Hawaii's family caregivers play a critical role in sustaining the state's long-term care system. By providing demanding care in the home, they help prevent costly institutionalization and reduce strain on public programs. While we can never fully repay family caregivers for their priceless contributions, the State can take action to offer them some relief. A family caregiver tax credit would provide meaningful recognition and financial support to those carrying substantial economic and personal responsibility.



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In summary, we strongly support HB 1972 HD2 and respectfully ask the committee to pass it. Supporting family caregivers strengthens families, preserves community-based care, and promotes dignity for individuals living with serious illness. Thank you for the opportunity to provide testimony on this important measure. We respectfully urge your favorable consideration. Mahalo nui loa for your leadership in supporting Hawai'i caregivers.

Sincerely,

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

Sheri Strahl, MPH, MBA  
President & CEO  
ALS Network

**LATE**

**HB-1972-HD-2**

Submitted on: 3/20/2026 6:38:15 AM

Testimony for HHS on 3/20/2026 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jennifer Barrett Fajardo	Individual	Support	Written Testimony Only

Comments:

Chair San Buenaventura, Vice Chair McKelvey, and members of the Committee:

My name is Jennifer Barrett Fajardo, and I am writing in strong support of HB 1972 HD2.

I was a caregiver for my late husband, who lived with ALS, a devastating disease that progressively takes away the ability to move, speak, and breathe. Like many families, I provided care at home, balancing the emotional and physical demands of caregiving with the financial strain that comes with reduced income and increased out-of-pocket costs.

Family caregivers play a critical role in allowing loved ones to remain at home with dignity, while also reducing strain on the healthcare system. A caregiver tax credit would provide meaningful recognition and some financial relief to those taking on this responsibility.

I respectfully urge you to pass HB 1972 HD2. Supporting caregivers strengthens families and helps ensure individuals living with serious illness can receive care at home.

Thank you for your consideration.

Jennifer Barrett Fajardo

**LATE**

**HB-1972-HD-2**

Submitted on: 3/20/2026 11:15:34 AM

Testimony for HHS on 3/20/2026 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Angie Knight	Individual	Support	Written Testimony Only

Comments:

I support the passing of this critical measure. Many family members are having to leave their jobs to care for loved ones because the cost of in-home care exceeds their salaries. This tax credit doesn't fully relieve the cost burden, but it does help lessen the severity.