



# DISABILITY AND COMMUNICATION ACCESS BOARD

Ka 'Oihana Ho'oka'a'ike no ka Po'e Kīnānā

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813  
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

April 2, 2026

## TESTIMONY TO THE HOUSE COMMITTEE ON WAYS AND MEANS

### House Bill 1972 House Draft 2 Senate Draft 1 – Relating to Taxation

The Disability and Communication Access Board (DCAB) supports House Bill 1972 House Draft 2 Senate Draft 1 which establishes a Family Caregiver Tax Credit for nonpaid family caregivers. It requires the Department of Taxation to submit annual reports to the Legislature. It appropriates funds to the Department of Taxation. And it applies to taxable years beginning after December 31, 2026 and shall take effect on January 1, 2050.

Family caregivers play a critical role in supporting and caring for relatives with disabilities. In addition to the daily care, caregivers manage their relatives' personal finances and/or pay for out-of-pocket caregiving expenses.

A family caregiver tax credit would help alleviate some of the financial burdens and recognize the increasing need to support caregiving services provided by nonpaid family caregivers.

This bill provides some financial relief for family caregivers and helps to sustain their ability to continue providing care to their loved ones.

DCAB supports the efforts to ease the financial strain on caregivers, as their work is essential to maintaining health, dignity, and independence for their loved ones with a disability.

Thank you for the opportunity to testify.

Respectfully submitted,

KRISTINE PAGANO  
Acting Executive Director



## HIPHI Board

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John A. Burns School of Medicine,  
Department of Pediatrics

Jennifer José Lo, MD  
Vice Chair  
Hawai'i Health Partners

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Hale Makua Health Services

Joyce Lee-Ibarra, MS  
JLI Consulting

Misty Pacheco, DrPH  
University of Hawai'i at Hilo

Dina Shek, JD  
Medical-Legal Partnership  
For Children in Hawai'i

JoAnn Tsark, MPH  
John A. Burns School of Medicine, Native  
Hawaiian Research Office

Danette Wong Tomiyasu, MBA  
Retired, Hawai'i State Department of  
Health

## HIPHI Initiatives

Coalition for a  
Tobacco-Free Hawai'i

Community-Based Research &  
Evaluation

Community Health  
Worker Initiatives

Environmental Health

Hawai'i Climate Change and Health  
Working Group

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &  
Community Living

Public Health Workforce Development

Date: March 30, 2026

To: Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair  
Members of the Senate Committee on Ways and Means

Re: Support for HB 1972 HD2 SD1, Relating to Taxation

Hrg: April 1, 2026 at 10:03 AM in Conference Room 211

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Hawai'i Public Health Institute (HIPHI)<sup>1</sup> **supports HB 1972 HD2 SD1**, relating to taxation, which establishes a family caregiver tax credit for unpaid caregivers.

Family caregivers are the 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.

**HB-1972-SD-1**

Submitted on: 3/30/2026 1:38:32 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

<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 Dela Cruz, Vice Chair Moriwaki, and Honorable Members of the Senate Committee on Ways and Means:

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 SD 1, which establishes a family caregiver tax credit for nonpaid family caregivers; requires the Department of Taxation to submit annual reports to the Legislature; appropriates funds; and applies to taxable years beginning after December 31, 2026.

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 SD 1, 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



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 Ways and Means  
Wednesday, April 1, 2026  
Conference Room 211, 10:03 a.m.**

TO: The Honorable Donovan Dela Cruz, Chair  
FROM: Keali'i S. López, State Director  
RE: Strong Support for H.B. 1972, HD2, SD1 Relating to Taxation

Aloha Chair Dela Cruz and Members of the Committee:

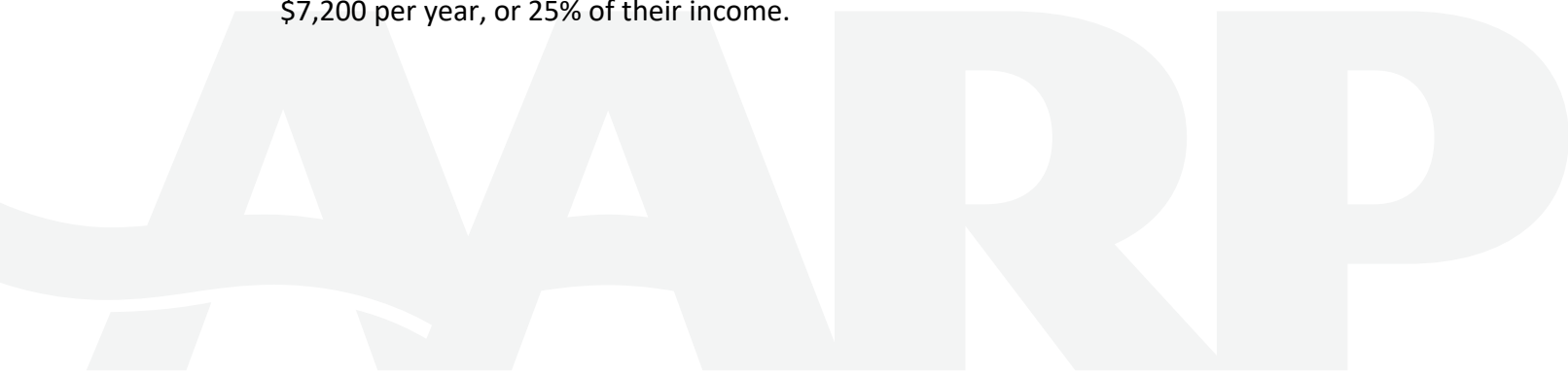
I am Keali'i Lopez, State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families: health 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, SD1 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. Recently, AARP released a new report "Valuing the Invaluable 2026" which finds that 210,000 family caregivers of adults in Hawai'i contribute 200 million hours of care annually, work that would be valued at \$4.9 billion per year if paid in the marketplace. <sup>1</sup> Family caregivers help 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.



April 1, 2026

H.B. 1972, HD2. SD1 AARP Testimony – Strong Support

Page 2

- 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
- 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, SD1 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, SD1 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, SD1.

#### References

1. [Valuing the Invaluable 2026 \(AARP\)](#)
2. [AARP Hawai'i Voter Poll \(40+ Registered Voters\)](#)



THE SENATE  
KA' AHA KENEKOA

Notice of Decision Making  
Wednesday, April 1, 2026  
10:03 a.m.

RELATING TO TAXATION  
H.B. 1972, HD2, SD1

Committee on Ways and Means

Aloha Chair Dela Cruz, Vice Chair Moriwaki and Members of the Committee on Ways and Means.

My name is Carol Wakayama and I wish to submit testimony in **STRONG SUPPORT** of H.B. 1972, HD2, SD1 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, SD1 establishes non-refundable Family Caregiver Tax Credits for providing family caregiving. If passed, H.B. 1972, HD2, SD1 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, SD1 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, SD1 be considered for passage. Thank you.

Carol Wakayama, Punchbowl

Beverly Ann Gotelli  
6286 Opaekaa Road  
Kapaa, HI 96746

Hawaii State Legislature  
Ways and Means Committee  
April 1, 2026  
10:03 A.M.

TO: The Honorable Donovan Dela Cruz, Chair  
Members of the State Senate Ways and Means Committee

POSITION: Strong Support for H.B. 1972 HD2, SD 1 – Relating to Taxation

My name is Beverly Gotelli, and I am writing in STRONG SUPPORT of House Bill 1972 HD 2, SD 1, which would establish a tax credit for unpaid family caregivers.

I was the primary caregiver for my mother, who had a spinal injury that left her without mobility in her legs. This was not the life she wanted, at the age of 92.

I'm not sure if I was fortunate as I was retired and became her caregiver. I think of my children who are working and should the need come when they are put into the role of being my caregiver. Will they be able to take off from work and take care of me. We live on two different islands, them on Maui and myself on Kauai. I'm sure I'm not the only one in this situation.

Reality is it will happen one day. What do we do then.

Family caregivers like me 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. We 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 HD 2, SD 1 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.

By passing H.B. 1972 HD 2, SD 1 the Legislature would be taking an important step toward supporting caregivers, strengthening families, and helping more Hawai'i residents remain safely

in their homes. I respectfully urge you to pass H.B. 1972 HD 2, SD1 and support the many unpaid family caregivers across our state.

Mahalo for the opportunity to share my story and for your consideration.

## Research Information Services

Wednesday, April 1, 2026  
Conference Room 211 & Videoconference

### Senate Ways & Means Committee

To: Chair, Donovan Dela Cruz  
Vice Chair, Sharon Moriwaki

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

RE: **Testimony SUPPORTING HB 1972 HD-2 SD1**  
**Relating to tax credits for unpaid family caregivers**

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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 SD1** 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. **Update: The newly released research study report by AARP, *Caregiving in the US*, July 2025, estimates that 260,000, unpaid caregivers in Hawai'i contribute 200 million hours of care annually conservatively valued at \$4.9 Billion.**

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**

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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 emotional stress:** 36% (nearly 4 in 10) of caregivers regard their caregiving circumstance as being highly stressful.
- **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 SD1.



CATHOLIC CHARITIES HAWAII

**SUPPORT HB 1972 HD2 SD1: RELATING TO TAXATION**

TO: Senate Committee on Ways and Means  
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i  
Hearing: Wednesday, April 1, 2026; 10:03 AM; CR 211 & Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members, Committee on Ways and Means:

Catholic Charities Hawai'i **strongly supports HB 1972 HD 2**, which establishes a new tax credit for nonpaid family caregivers of older adults and persons with disabilities..

Catholic Charities Hawai'i (CCH) is a tax-exempt, community-based organization that has been providing social services in Hawai'i for 78 years, now serving over 40,000 individuals statewide. Catholic Charities Hawai'i serves individuals and families who are experiencing poverty, housing instability, trauma, and crisis. Our mission is to provide services and advocacy for Hawai'i's kupuna and others who require care from their families to remain in the community.

Catholic Charities Hawai'i strongly supports the intent of this bill. CCH has provided in-home and community-based services for older adults since the early 1970's. Since that time, we have seen the increasing number of family members who have taken on providing caregiving for older relatives as they have aged in place. As a result, CCH also provides caregiver education and training as a way to support these unpaid family caregivers.

In our work with unpaid family caregivers, we see the sacrifices they make to care for their elderly loved ones. The financial cost that unpaid family caregivers take on simply adds to their many stressors, which puts their frail, older relatives at risk. This bill could help reduce some of that financial strain.

This bill acknowledges the contributions of unpaid family caregivers and supports the ability of frail, older adults to remain in loving homes and avoid unwanted, costly (to taxpayers) institutionalization.

Family caregivers are the backbone of the long-term-care system in the State. A 2021 national survey found that family caregivers, on average, spent 26% of their income on out-of-pocket expenses for caregiving. This measure would recognize their ongoing, unpaid services and provide some relief.

We urge your support of this bill and the many local families who will benefit.

Mahalo for the opportunity to provide this testimony. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson, at (808) 527-4813.



**HB-1972-SD-1**

Submitted on: 3/30/2026 3:04:48 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John A. H. Tomoso	Individual	Support	Written Testimony Only

Comments:

03-30-26

RE: HB1972 HD2 SD1

Aloha kākou,

I am in strong support of The Family Caregiver Tax Credit Bill. (H.B. 1972, HD2, SD1) As I understand it, this will provide eligible family caregivers with a \$3,000 tax credit to help offset out-of-pocket expenses for caring for a loved one at home. I know that there is a stipulation that eligible home care expenses are provided by licensed, professional agencies. This is fine. Please pass this Bill.

Mahalo a nui,

John A H Tomoso+, MSW, ACSW

51 Ku'ula St., Kahului, HI 96732-2906

john.a.h.tomoso@gmail.com

**HB-1972-SD-1**

Submitted on: 3/30/2026 3:15:23 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

Submitted By	Organization	Testifier Position	Testify
Nadine NEWLIGHT	Individual	Support	Written Testimony Only

Comments:

Testimony on House Bill No. 1972, HD2, SD1

RELATING TO TAXATION

Wednesday, April 1, 2026

Conference Room 211 & Videoconference

State Capitol

415 South Beretania Street

Aloha Chair Dela Cruz and Members of the Committee:

My name is Nadine NEWLIGHT and I am testifying in **STRONG SUPPORT of HB 1972, HD2, SD1 which establishes a nonrefundable tax credit for nonpaid family caregivers.**

Family caregivers like me 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, and 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, SD1 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!

**Testimony to the Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair**

**Wednesday, April 1, 2026, at 10:03AM  
Conference Room 211 & Videoconference**

**RE: HB1972 HD2 SD1 Relating to Taxation**

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 1972 House Draft 2 Senate Draft 1 (HB1972 HD2 SD1), which establishes a family caregiver tax credit for nonpaid family caregivers and requires an annual report to the Department of Taxation.

HB1972 HD2 SD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Economic Action. This bill supports increased affordability in Hawaii and provides quality of life improvements for families that rely on a family member to provide essential care without compensation.

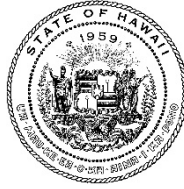
Family caregivers provide daily, unpaid support to loved ones while balancing employment, household responsibilities, and rising living costs. Without meaningful policy support, caregiving can become financially and emotionally unsustainable, forcing difficult choices that can negatively impact an entire family's quality of life and, in some cases, certain family members' ability to remain in the workforce. By helping offset out-of-pocket caregiving expenses, the tax credit proposed in HB1972 HD2 SD1 improves the economic viability of serving as a family caregiver, allowing more individuals to continue providing care without sacrificing financial stability or quality of life.

We respectfully ask to pass House Bill HB 1972 House Draft 2 Senate Draft 1. Thank you for the opportunity to testify.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

**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, S.D.1, Relating to Taxation

**BEFORE THE:**

Senate Committee on Ways and Means

**DATE:** Wednesday, April 1, 2026  
**TIME:** 10:03 a.m.  
**LOCATION:** State Capitol, Conference Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1972, H.D.2, S.D.1, 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 end 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." The bill defines the terms "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, professional home care services provided by a home care agency licensed under section 321-14.8, HRS, 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 emergency alerts and medication dispenser 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 an effective date of July 1, 2050, 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.

DOTAX estimates that this bill will result in a revenue loss as follows:

**General Fund Impact (\$ millions)**

<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>	<b>FY 2032</b>
-	-\$397.0	-\$397.0	-\$397.0	-\$397.0	-\$397.0

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

Testimony on House Bill No. 1972, HD 2, SD1  
RELATING TO TAXATION  
Wednesday, April 1, 2026, at 10:03 am  
Conference Room 211 & Videoconference  
State Capitol  
415 South Beretania Street

Aloha Chair Dela Cruz and Members of the Committee:

My name is Christina Enoka, and I am in STRONG SUPPORT of HB 1972, HD2, SD1, which establishes a nonrefundable tax credit for nonpaid family caregivers.

As a former caregiver for our father, my sister and I endured unanticipated and unplanned expenses while caring for him. During his illness, we helped our mother with the daily care and transport to doctor appointments which included chemotherapy and radiation treatment. Because my mother did not drive, it was necessary to help with weekly grocery shopping and other household upkeep purchases. My father's care lasted for 10 months until his death. He wanted to be at home, and we did everything we could to accommodate his wishes; this included taking time off from work either using vacation hours and/or unpaid time creating necessary, but unplanned, added expenses.

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 for medical visits. They lovingly perform these daily tasks so that their family member can remain in their homes and age in place. Many caregivers are still working, struggling to juggle work and caregiving responsibilities. With Hawaii's exorbitant cost of living, a modest tax credit would not eliminate the efforts of the caregiver, however it would certainly help to offset some of the unplanned and unanticipated expenses associated with caregiving.

Mahalo for the opportunity to testify in support of HB 1972, HD2, SD1

Christina Enoka  
Mililani, Oahu  
Ncsmn150@gmail.com

**HB-1972-SD-1**

Submitted on: 3/30/2026 4:59:04 PM

Testimony for WAM on 4/1/2026 10:03:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
BLYTH KOZUKI	Individual	Support	Written Testimony Only

Comments:

**Aloha Chair Dela Cruz and Members of the Committee:**

**My name is Blyth Kozuki, and I am writing in STRONG SUPPORT of House Bill 1972 HD2, SD1 which would establish a nonrefundable tax credit for unpaid family caregivers.**

**I was a caregiver to my dear husband 20 years ago. It wasn't a burden but it was quite the lesson. He needed regular medical & crisis appointments & procedures, incontinent supplies, Boost for nutrition needs and I think you can recognize the rest. The point I want to stress is that it's expensive to caretake and these are all out-of-pocket expenses. Since I continued to work it was manageable but many caregivers are on a fixed income and "affordability" is a big issue. What I don't want is for caregivers to "throw in the towel" and institutionalize their loved one because they can't continue to make the sacrifice.**

**A modest tax credit, such as the one proposed in H.B. 1972 HD2, SD1 would acknowledge and support the sacrifices caregivers make. I respectfully urge you to pass HB 1972 HD2, SD1 and support the many unpaid family caregivers across our state.**

**Mahalo for the opportunity to share my thoughts for your consideration.**

**Blyth Kozuki**

**Honolulu, Hawaii**

To: Senate Committee on Ways and Means  
Re: **HB1972 HD2 SD1 – Relating to Taxation**  
Hawai'i State Capitol & Via Videoconference  
April 1, 2026; 10:03 AM

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB1972 HD2 SD1**. 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/>

SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

NOTICE OF DECISION MAKING

Wednesday, April 1, 2026  
10:03 AM

Re: HB 1972 HD2 SD1 RELATING TO TAXATION

Aloha Chair Dela Cruz and Vice Chair Moriwaki. 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 SD1, 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

March 31, 2026

Senate Committee on Ways and Means  
Chair Donovan M. Dela Cruz  
Vice Chair Sharon Y. Moriwaki  
Members of the Committee

**Re: HB 1972 HD 2 SD 1 – Relating to Taxation – SUPPORT**

Aloha kākou!

LeadingAge Pacific West is pleased to support House Bill 1972 HD2 SD 1 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 SD 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 SD 1 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 SD 1 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](#)



March 31, 2026

Position: **SUPPORT** of **HB1972 HD2 SD1**, Relating to Taxation

**To:** Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair  
Members of the Senate Committee on Ways and Means

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

**Re:** Testimony in **SUPPORT** of **HB1972 HD2 SD1**, Relating to Taxation

Hearing: Wednesday, April 1, 2026, 10:03 a.m.  
Conference Room 211, 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 SD1** 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.

Research consistently shows that unpaid caregiving is a critical but often overlooked component of our social fabric, with women comprising the majority of unpaid family caregivers. 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 requirement for annual reporting by the Department of Taxation is also consistent with our support for data-driven decision-making, as it will help policymakers better understand the scope and impact of caregiving in the state.

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 SD1.**

Thank you for this opportunity to submit testimony.

**HB-1972-SD-1**

Submitted on: 3/31/2026 9:02:31 AM

Testimony for WAM on 4/1/2026 10:03:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Angela Serota	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and Members of the Committee,

My name is Angela Serota and I am in strong support of HB1972, HD2, SD1 that provides a tax credit for nonpaid family caregivers.

As a retired nurse on Kauai, I am very familiar with the need for home healthcare, the lack of caregivers available, and the cost related to providing home healthcare. Family caregivers are a vital part of Hawai'i's healthcare system and provide this important service out of love and necessity at their own personal expense.

Any financial help, such as this modest tax credit, would help ease the financial strain these family caregivers experience and help them continue to provide this important service to loved ones.

Mahalo for your consideration and for support on this issue!

Angela Serota

Kilauea, HI

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



SIERRA WHITESIDE  
CHAIRPERSON

DAINTRY BARTOLDUS  
EXECUTIVE ADMINISTRATOR

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES  
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA  
PRINCESS VICTORIA KAMĀMALU BUILDING  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

April 1, 2026

The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means  
The Thirty-Third Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Chair Dela Cruz and Committee Members:

**SUBJECT:** Testimony in Support of HB1972 HD2 SD1, Relating to Taxation

The Hawai'i State Council on Developmental Disabilities is in **STRONG SUPPORT of HB1972 HD2 SD1**, which 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 1/1/2050. (SD1).

Family caregivers are the backbone of Hawai'i's long-term care system, providing billions of dollars in unpaid care each year and supporting individuals to remain in their homes and communities. For individuals with intellectual and developmental disabilities (I/DD), caregiving often extends across the lifespan. Many families provide daily support with activities of daily living, supervision, transportation, and coordination of services, often while balancing employment and rising living costs.

This measure helps recognize and offset the real, out-of-pocket expenses caregivers face, including home modifications, assistive technology, respite, and transportation. These supports are critical to maintaining stability in the community and preventing unnecessary institutionalization. This bill is also important for Hawai'i's "missing middle", families who earn too much to qualify for public programs but not enough to absorb the growing costs of caregiving. Overall, this measure represents a meaningful step toward recognizing and supporting caregivers who play an essential role in Hawai'i's care system.

For these reasons, the Hawai'i State Council on Developmental Disabilities **strongly supports HB1972 HD2 SD1**.

Thank you for the opportunity to submit testimony.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus  
Executive Administrator



Aloha Chair Dela Cruz and Members of the Committee:

My name is Merle Minami-Shima, and in STRONG SUPPORT OF HB1972, HD2, SD1 which establishes a nonrefundable tax credit for nonpaid family caregivers.

Our values of 'ohana in Hawai'i are a priority that many of us hold dearly. We rise to the occasion without hesitation to care for our elderly family members when the need arises. The financial costs of caregiving can be burdensome but is a sacrifice that we take on because we feel it is our kuleana to care for our kupuna.

Given this, a modest tax credit like the one proposed in HB 1972, HD2, SD1 will provide limited relief of the financial burden and strain for family caregiving expenses.

Mahalo for your consideration of this matter.

Merle Minami-Shima

Wailuku, Maui, HI

# 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 SD1

INTRODUCED BY: HHS

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 1/1/2050 (SD1)

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; (3) professional home care services provided by a home care agency licensed under section 321-14.8, and (4) 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: January 1, 2050 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 SD1  
Page 3

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: 3/30/2026