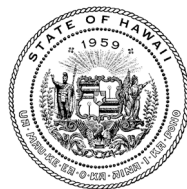


JOSH GREEN M.D.
GOVERNOR

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. 2007, H.D.3, Relating to the Household and Dependent Care Services Tax Credit

BEFORE THE:

Senate Committee on Health and Human Services

DATE: Wednesday, March 25, 2026
TIME: 1:40 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. 2007, H.D.3, for your consideration.

Section 2 of the bill amends the household and dependent care services tax credit under section 235-55.6, Hawaii Revised Statutes (HRS), by increasing the adjusted gross income brackets and applicable percentage of employment-related expenses that may be claimed by taxpayers for the credit. The proposed amendments are as follows:

Current		Proposed	
Adjusted gross income	Applicable percentage	Adjusted gross income	Applicable percentage
Not over \$25,000	25%	Not over \$80,000	50%
Over \$25,000 but not over \$30,000	24%	Over \$80,000 but not over \$90,000	45%
Over \$30,000 but not over \$35,000	23%	Over \$90,000 but not over \$100,000	40%
Over \$35,000 but not over \$40,000	22%	Over \$100,000 but not over \$110,000	35%
Over \$40,000 but not over \$45,000	21%	Over \$110,000 but not over \$120,000	30%

Over \$45,000 but not over \$50,000	20%	Over \$120,000 but not over \$130,000	25%
Over \$50,000	15%	Over \$130,000 but not over \$140,000	20%
		Over \$140,000 but not over \$150,000	15%
		Over \$150,000 but not over \$160,000	10%
		Over \$160,000	5%

The bill also adds a new subsection to section 235-55.6, HRS, disallowing the credit for ten taxable years if there is an administrative or judicial decision that the taxpayer's claim was fraudulent, and two taxable years if there is an administrative or judicial decision that disallowed the taxpayer's claim for the credit.

Section 3 of the bill amends section 5 of Act 163, Session Laws of Hawaii 2023, to extend the sunset and reenactment date for the amendments to section 235-55.6(c), HRS, which increased the maximum employment-related expenses that may be claimed from \$2,400 to \$10,000 for one qualifying individual and from \$4,800 to \$20,000 for two or more qualifying individuals, from December 31, 2027, to June 30, 2030.

The bill has a defective effective date of July 1, 3000 and applies to taxable years beginning after December 31, 2025, with section 2 of the bill being repealed on June 30, 2030.

DOTAX notes that it can implement the changes in this bill for taxable years beginning after December 31, 2025, but recommends that the repeal of section 2 be amended to December 31 instead of June 30 to avoid changes during the middle of a tax year.

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



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

TESTIMONY IN SUPPORT OF HOUSE BILL 2007 HD3

RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT

Ke Kōmike ‘Aha Kenekoa o ke Olakino a me ka Lawelawe Kanaka

(Senate Committee on Health and Human Services)

Ke Kapitala ‘o Hawai‘i

(Hawai‘i State Capitol)

Malaki 25, 2026

1:40 PM

Lumi 225

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

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB2007 HD3**, which strengthens Hawai‘i’s household and dependent care services tax credit by increasing the percentage of employment-related expenses. This credit supports care for qualifying dependents, including children under thirteen and dependents or spouses incapable of self-care. This measure better aligns tax policy with Hawai‘i’s high cost of living and supports multigenerational families caring for both keiki, kupuna, and disabled family members.

Hawai‘i families face some of the highest living costs in the nation, and this measure recognizes that full-time child care costs exceed \$13,000 annually. Research from the University of Hawai‘i Economic Research Organization (UHRO) consistently finds that Hawai‘i households require substantially higher incomes than national averages to meet basic needs, particularly for housing, food and child care expenses.¹ ALICE (Asset Limited, Income Constrained, Employed) data show that a significant share of Hawai‘i households earn above the federal poverty level yet still cannot afford the basic cost of living.² Many are working parents and caregivers struggling to balance employment and rising dependent care costs. Native Hawaiian households are overrepresented among ALICE families and experience higher rates of poverty compared to statewide averages³;

¹ Carl Bonham, Paul Brewbaker & Justin Tyndall, *Measuring the Cost of Living in Hawai‘i* (Univ. of Haw. Econ. Research Org. 2022).

² Aloha United Way, *ALICE in Hawai‘i: A Study of Financial Hardship* (2024 Update)

³ Office of Hawaiian Affairs, *Native Hawaiian Data Book* (2022).

Native Hawaiian kūpuna experience higher rates of poverty and economic vulnerability, and are therefore more likely to rely on extended family to assist with caregiving support.⁴ Strengthening this refundable credit directly increases disposable income for Native Hawaiian and local families and helps offset regressive tax burdens on lower- and moderate-income households.⁵

A refundable tax credit is particularly important for working families because it delivers support regardless of tax liability. Lower- and moderate-income households often owe little in state income taxes due to existing deductions and exemptions, yet they face the highest relative cost burdens. A refundable credit ensures that eligible working families receive the full value of the benefit. Research consistently demonstrates that refundable tax credits tied to caregiving reduce poverty and improve long-term outcomes. A comprehensive 50-state analysis found that state-level child tax credits meaningfully reduce child poverty and narrow racial disparities.⁶ Income supports have been linked to improved birth outcomes, higher educational attainment, and stronger lifetime earnings for children.⁷ Income supports that offset caregiving costs reduce financial strain and support safer aging in place.

Caregiving affordability directly affects workforce participation and economic outcomes. When child care or dependent care costs exceed feasible household budgets, labor force participation declines—particularly among women and caregivers.⁸ Research consistently finds that refundable credits such as the Earned Income Tax Credit and Child Tax Credit promote work participation and do not meaningfully reduce employment.⁹

⁴ U.S. Census Bureau, American Community Survey 5-Year Estimates (elder poverty rates in Hawai'i).

⁵ Inst. on Taxation & Econ. Policy, *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States* (6th ed. 2018). <https://itep.sfo2.digitaloceanspaces.com/whopays-ITEP-2018.pdf> (Last accessed February 28, 2026)

⁶ Sophie Collyer et al., *State Child Tax Credits and Child Poverty: A 50-State Analysis* (Ctr. on Poverty & Soc. Pol'y, Columbia Univ. 2022).

⁷ Nat'l Acads. of Scis., Eng'g, & Med., *A Roadmap to Reducing Child Poverty* (2019); Andrew Barr et al., Investing in Infants: The Lasting Effects of Cash Transfers to New Families, 137 Q.J. Econ. 2539 (2022).

⁸ Institute for Women's Policy Research, *Gender and Racial Wage Gaps Persist as the Economy Recovers* (Sept. 2022).

⁹ Natasha V. Pilkauskas, Katherine Michelmores, Nicole Kovski & H. Luke Shaefer, *The Effects of Income on the Economic Well-Being of Families with Low Incomes:*

Families use refundable credits primarily for essential expenditures such as food, rent, utilities, transportation, and educational costs, circulating those dollars back into local economies.¹⁰

This measure recognizes supporting caregiving is essential to supporting families and workforce participation. By increasing eligible expenses and adjusting thresholds, this measure provides meaningful relief to working families caring for keiki and kupuna, particularly for Native Hawaiian households who face higher rates of economic hardship in Hawai'i's high cost of living.

For these reasons, OHA respectfully urges the Committee to **PASS HB2007 HD3**. Mahalo for the opportunity to testify.

Evidence from the 2021 Expanded Child Tax Credit, NBER Working Paper No. 30533 (Oct. 2022). <https://www.nber.org/papers/w30533> (Last accessed February 28, 2026)

¹⁰ Chuck Marr et al., *EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds*, Center on Budget & Policy Priorities (Oct. 1, 2015).



HIPHI Board

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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
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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 20, 2026

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

Re: Support for HB 2007 HD3, Relating to the Household and Dependent
Care Services Tax Credit

Hrg: March 25, 2026 at 1:40 PM in Conference Room 225

Hawai'i Public Health Institute (HIPHI)¹ **supports HB 2007 HD3**, relating to the Household and Dependent Care Services Tax Credit, which increases a taxpayer's applicable percentage of employment-related expenses that is used to calculate the Household and Dependent Care Services Tax Credit.

Rising Child Care Costs

Hawai'i families face some of the highest child care costs in the country, creating a major barrier to economic stability and child well-being. Recent national data show that the average annual cost of infant care in Hawai'i exceeds \$24,000, placing Hawai'i among the most expensive states in the country.² Even broader estimates show families in Hawai'i typically pay \$13,000 to \$14,500 per year for child care, with significantly higher costs for infants and toddlers.³

At the household level, families are paying \$1,200 to \$1,600 per month for infant care, and in some areas of Honolulu, full-time child care can exceed \$2,700 per month.⁴ These costs place Hawai'i families under intense financial strain, with families spending about 13.5% of their household income on child care, the highest share in the nation.⁵

A Public Health Concern

Child care is not just a workforce issue. It is a public health matter. When families cannot afford care, parents are often forced to reduce work hours, leave jobs, or delay employment entirely, which destabilizes household income and increases financial stress. These pressures make it harder for families to afford food, housing, and health care, increasing the risk of poor health outcomes for both

¹ 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.

² [Child Care and Early Learning in Hawaii: 2025 Fact Sheet](#), First Five Years Fund, 2026.

³ [How Much Childcare Costs by State in the USA in 2026](#), Illuminae, 2026.

⁴ [Cost of Childcare in Hawaii: What Parents Need to Know](#), Living Hawai'i Guide,

⁵ [Mapped: Child Care Costs by U.S. State in 2025](#), Visual Capitalist, 2025.



parents and children. At the same time, children lose access to safe, developmentally appropriate early learning environments that are critical for social and cognitive development. National research shows that child care costs are rising faster than inflation and, in many cases, now exceed housing or college tuition costs, forcing families, especially mothers, out of the workforce.⁶ In Hawai'i, where the cost of living is already among the highest in the nation, these pressures are even more severe.

Investing in Hawai'i's Future

Investing in child care is one of the most effective strategies to strengthen the economic stability of Hawai'i's workforce. When families can afford care, they are more likely to obtain sustainable financial security and raise healthy keiki in stable homes.

Affordable access to child care has been consistently linked to better outcomes for both children and families. Children in quality early learning environments experience stronger developmental outcomes, better school readiness, and improved long-term educational and economic trajectories.

We urge you to pass this measure, so hardworking families can afford the necessary care to allow their children to reach their full potential.

Mahalo,

A handwritten signature in black ink that reads "Kris Coffield". The signature is written in a cursive, flowing style.

Kris Coffield
Policy and Advocacy Associate

⁶ [As Childcare Costs Surpass Inflation, More Women Leave the Labor Market](#), Investopedia, January 2026.

To: Senate Committee on Health and Human Services
Re: **HB2007 HD3 – Relating to the Household and Dependent Care Services Tax Credit**
Hawai'i State Capitol & Via Videoconference
March 25, 2026, 1:40 PM

Dear Chair San Buenaventura, Vice Chair McKelvey, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB2007 HD3**. This bill increases a taxpayer's applicable percentage of employment-related expenses that may be claimed for the household and dependent care services tax credit (a.k.a. CDCTC), establishes certain disallowance periods, and extends the sunset date of the prior increase in the maximum amount of expenses that may be claimed.

This bill would help working families make ends meet and stay in Hawai'i. A main source of financial hardship is the skyrocketing cost of child and dependent care in Hawai'i. With the median cost of preschool exceeding \$13,000 per year,¹ families need more support.

The CDCTC was created to provide such support, but over the years it has failed to keep up with inflation and the growing cost of child care.

In 2023, you and your colleagues took an important step to boost the CDCTC. The maximum *amount* that taxpayers can claim for child and dependent care expenses was increased from \$2,400 to \$10,000 for one dependent, and from \$4,800 to \$20,000 for two or more dependents.

However, the CDCTC still has a cap that limits the credit to 25% of care expenses for those earning less than \$25,000 per year, stepping down to 15% for those earning more than \$50,000.² To allow more working families to benefit from the increase that you and your colleagues already passed, the *percent* of care expenses that can be claimed with the CDCTC also needs to be raised.

This bill would raise the cap to as much as 50% of care expenses for those with income up to \$80,000, stepping down to 5% for those earning over \$160,000. That would enable more families to access the new higher amounts of the credit that were passed in 2023.

Please see the chart below, which shows how this bill would help different types of families in our state:

¹ <https://www.dol.gov/agencies/wb/topics/childcare/price-by-age-care-setting>

² <https://files.hawaii.gov/tax/geninfo/info/flyer-Child-and-Dependent-Care-May2024.pdf>

HOW IMPROVING THE CDCTC COULD HELP HAWAI'I FAMILIES				
Type of family	Single parent with 1 child	Single parent with 2 children	Married couple with 1 child	Married couple with 2 children
Income level	Minimum wage	Median household income	2 minimum wage workers	ALICE survival budget
Annual Income	\$33,280	\$100,389	\$66,560	\$110,112
Preschool tuition	\$13,842	\$27,684	\$13,842	\$27,684
Parents' co-pay	\$1,664	\$27,684	\$5,990	\$27,684
Current tax credit amount	\$383	\$3,000	\$899	\$3,000
New tax credit amount	\$832	\$7,000	\$2,995	\$6,000
Difference	\$449	\$4,000	\$2,097	\$3,000

As you can see, our state already provides subsidies for the lowest-income families, resulting in relatively low child care co-payments for those parents.³ However, middle-income families, as well as those who are at the ALICE survival budget level, do not qualify for those subsidies, so the improvement of the CDCTC as proposed by this bill would especially help them.

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

Thank you,

Nicole Woo
 Director of Research and Economic Policy

³ <https://humanservices.hawaii.gov/bessd/files/2021/09/Child-Care-Gross-Income-Eligibility-Limits-and-Sliding-Fee-Scale.pdf>



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

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

Hawai‘i Appleseed Center for Law and Economic Justice strongly supports House Bill 2007, which increases the applicable percentage used to calculate the Household and Dependent Care Services Tax Credit and extends the enhanced credit under Act 163 (2023) through June 30, 2030. This bill is essential to making child and dependent care more affordable, at a time when accessing adequate care has become too expensive for many of Hawai‘i’s residents to manage.

Act 163 raised the maximum expenses that families can claim for the Household and Dependent Care Services Tax Credit, but it did not increase the percentage of reimbursement that could be claimed for those expenses. As a result, the credit currently delivers less relief than the Legislature intended—about \$9.5 million instead of the stated goal of \$47 million.

HB 2007 fixes this by raising the applicable percentage to fifty percent of eligible expenses and phasing it down gradually by income, ensuring that low- and moderate-income households receive the greatest benefit. By strengthening this tax credit, HB 2007 helps parents and caregivers of older adults and people with disabilities. For these reasons, Hawai‘i Appleseed urges you to pass HB 2007.

Mahalo for your time.



ALOHA CARE

To: The Honorable Joy A. San Buenaventura, Chair
The Honorable Angus L.K. McKelvey, Vice Chair
Senate Committee on Health and Human Services

From: Paula Arcena, Senior Vice President of External Affairs
Mike Nguyen, Senior Director of External Affairs
Maria Rallojay, Public Policy Specialist

Hearing: Wednesday, March 25, 2026, 1:40pm, Conference Room 225

RE: **HB2007 HD3 Relating to the Household and Dependent Care Services Tax Credit**

AlohaCare appreciates the opportunity to provide testimony in **support of HB2007 HD3**. This measure would: (1) increase a taxpayer's applicable percentage of employment-related expenses that is used to calculate the household and dependent care services tax credit; and (2) extend the sunset date of the temporary increase in maximum employment-related expenses that are used to calculate the household and dependent care services tax credit, established by Act 163, SLH 2023, to 6/30/2030.

AlohaCare is a community-rooted, non-profit health plan founded by Hawai'i's Community Health Centers and the Queen Emma Clinics. We serve over 66,000 Medicaid and Medicaid-Medicare dual-eligible residents on all islands. Since 1994, AlohaCare has partnered with providers, government entities, and community-based organizations to meet the evolving needs of our safety net community as Hawai'i's only health plan focused solely on Medicaid-eligible individuals. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for equitable access to quality, whole-person care for all.

AlohaCare is committed to whole-person care by addressing key social determinants of health like economic stability. Affordable childcare and dependent care is closely tied to health, economic stability, and family well-being. The bill itself recognizes that the average cost of full-time childcare in Hawai'i exceeds \$13,000 per year. For AlohaCare, this issue is especially important because more than one-third of our members are children, meaning policies that help families afford care can have a direct and meaningful impact on the health, stability, and development of a large share of the population we serve. For these families, the cost of care can determine whether a parent can keep a job, attend school or training, maintain health coverage, or consistently bring a child or dependent family member to needed medical appointments. As such, AlohaCare supports this measure to strengthen economic stability for families with caregiving responsibilities.

Mahalo for this opportunity to testify in **support of HB2007 HD3**.



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

**The State Legislature
The Senate Committee on Health and Human Services
Wednesday, March 25, 2026
Conference Room 225, 1:40 p.m.**

TO: The Honorable Joy San Buenaventura, Chair
FROM: Keali'i S. López, State Director
RE: Strong Support for H.B. 2007, HD3- HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT

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 strongly supports HB 2007 HD3, which improves the Household and Dependent Care Services Tax Credit. This bill is essential for working families and the thousands of unpaid caregivers who support older adult dependents in their homes.

In 2023, lawmakers increased the maximum care expenses that families may claim but did not raise the percentage of expenses eligible for the credit. As a result, many families with children as well as those caring for aging parents—receive only a fraction of the intended benefit. For example, a family paying \$10,000 in care expenses can currently claim just \$1,500, far below actual costs

HB 2007, HD3 addresses this gap by increasing the cap on the percent of care expenses that can be claimed, allowing working families to get more badly-needed help with their child and dependent kūpuna care costs.

These changes directly support families with children and caregivers of older adults by helping offset the rising costs of adult day care, in-home support, and supervision—services that allow kupuna to age safely at home while caregivers remain in the workforce.

AARP urges the Legislature to pass HB 2007, HD3 to provide meaningful financial relief to Hawai'i caregivers and the families they support.





Hearing Date: Tuesday, March 25, 2026, 10:40 PM, Rm. 225

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

Re: **TESTIMONY IN SUPPORT OF HB 2007, HD 3 Relating to the Household and Dependent Care Services Tax Credit**

Dear Chair San Buenaventura, Vice Chair McKelvey, and the Members of the Committee, Members of AAUW of Hawaii thank you for this opportunity to testify in **strong support of HB 2007, HD3** which will increase a taxpayer's applicable percentage of employment related expenses that is used to calculate the household and dependent care services tax credit.

The total tax credit amount for the Child Care and Dependent Tax Credit was raised in 2023. Unfortunately, the law currently also limits the tax credit by a percentage of child care expenses based on household income. This section needs to be updated to allow more working families to be able to access the full amount of the tax credit.

This bill provides a simple fix so families can claim their full tax credit.

Please pass this measure and mahalo for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jean Evans".

Jean Evans
Public Policy Committee, AAUW of Hawaii
publicpolicy-hi@aauw.net

The American Association of University Women (AAUW) of Hawaii is an all-volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kaua'i, Kona, Maui, and Windward Oahu. AAUW's mission is to advance gender equity through research, education, and advocacy. Our goal is economic security for women and their families.



Malaki 25, 2026, 1:40 PM

COMMITTEE ON HEALTH AND HUMAN SERVICES
Conference Room 225 & Videoconference
State Capitol
415 South Beretania Street

Re: HB2007 HD3 - RELATING TO THE HOUSEHOLD AND DEPENDENT CARE
SERVICES TAX CREDIT.

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

The Prince Kūhiō Hawaiian Civic Club strongly **supports** HB2007 HD3, to strengthen Hawai‘i’s household and dependent care services tax credit by raising the employment-expense percentage and indexing income thresholds to inflation. The credit covers care for qualifying dependents, including children under 13 and dependents or spouses who cannot care for themselves. Hawai‘i families face some of the nation’s highest living costs; full-time childcare exceeds \$13,000 per year. UHERO and ALICE data show many households earn above the federal poverty level yet cannot cover basic needs—especially housing, food, and care—placing significant strain on working parents and caregivers. Native Hawaiian households and kūpuna are disproportionately affected and commonly rely on extended family for caregiving.

Making this credit refundable ensures lower- and moderate-income families receive full benefit regardless of tax liability, increasing disposable income and offsetting regressive tax burdens. Evidence shows refundable, caregiving-related tax credits reduce poverty, improve child and long-term outcomes, support safer aging in place, and sustain workforce participation—particularly for women and caregivers.

Founded in 1964, the Prince Kūhiō Hawaiian Civic Club was established to promote the education and social welfare of people of Hawaiian ancestry. Its objectives include supporting high ethical standards in business, industry, and professional fields. Mahalo for your consideration of our position.

Me ke aloha,

Shauna Kahiapo, Esq.
Pelekikena

president@pkhcc.org

HB-2007-HD-3

Submitted on: 3/24/2026 7:10:39 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Yvette Kay	Testifying for Kona Indivisible & Matriarchy Rising	Support	Written Testimony Only

Comments:

What is Dependent Care Services Tax Credit?

A tax credit helping working parents and family caregivers offset costs for care for qualifying keiki, kupuna, or other dependents, allowing them to work or look for work.

[HB2007/SB2683/SB3125](#) would help many more families than Act 163, Session Laws of Hawaii 2023 by increasing a taxpayer’s applicable percentage of employment-related expenses that is used to calculate the household and dependent care services tax credit. Act 163 intended to provide approximately \$47,000,000 of financial relief to working families but the Department of Taxation later estimated the cost of Act 163 to be only \$9,500,000.

Why is Dependent Care Service important in Hawaii?

Family Caregiver: Hawai‘i is a high-risk state for a family caregiver shortage, with an estimated 154,000 family caregivers residing in Hawai‘i. Family caregivers spend about \$7,200 of their own money on average—about 26% of their income—on out-of-pocket caregiving expenses. Add in Hawai‘i’s high cost of living and that some caregivers may retire early or quit work to care for loved ones, the financial sacrifices family caregivers make can be overwhelming. AARP estimates that Hawai‘i’s family caregivers put in 144 million hours of unpaid care a year to loved ones in Hawai‘i. If they were paid, the value of what they do for others would be \$2.6 billion.

Childcare: With the average cost of preschool in Hawai‘i over \$13,000 per year, our working families need more help with their child care expenses. This bill would help working families make ends meet and stay in Hawai‘i. 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. That’s where tax credits come in.

My name is Yvette Kay and I am a resident of Kailua Kona in Hawai'i County. I am on the leadership team for Kona Indivisible and run the protest arm of Kona Indivisible named, Matriarchy Rising. I support this bill.

yvettekay_99@yahoo.com

96740

415-706-9638

HB-2007-HD-3

Submitted on: 3/22/2026 9:52:18 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Leilani Keli'ikipi	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair and Members,

My name is Leilani Keli'ikipi. I am a mother of three—two young keiki and a teenager—a nurse with over 20 years of experience, and a student continuing my higher education online.

I strongly support HB2007 because childcare in Hawai'i is not just expensive—it is unstable, unpredictable, and often inaccessible.

As a working parent on Maui, I am constantly navigating preschool, daycare, and preparing for kindergarten enrollment. Waitlists are long, costs are overwhelming, and availability is inconsistent. Even when you secure childcare, it is not guaranteed to remain stable.

Recently, due to severe weather conditions, childcare closures have disrupted families across Maui. When daycare closes, working parents are forced to miss work, lose income, or scramble to find last-minute care.

At the same time, I am balancing my responsibilities as a healthcare worker and continuing my education online. Without reliable and affordable childcare, it becomes extremely difficult to stay employed and pursue advancement.

From my community survey, childcare and financial stress remain among the highest needs at 78%, closely tied to housing, transportation, and food insecurity.

Strengthening the Child and Dependent Care Tax Credit would provide immediate, meaningful relief to families like mine who are doing everything we can to stay afloat.

This is about survival, stability, and ensuring our keiki have safe and consistent care.

I respectfully urge you to support HB2007.

Mahalo for the opportunity to testify,

Leilani Keli'ikipi

HB-2007-HD-3

Submitted on: 3/20/2026 2:09:38 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2007 HB RELATING TO THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT.

HB-2007-HD-3

Submitted on: 3/20/2026 7:15:09 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

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

Comments:

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

I am testifying in **strong support** of HB2007, which strengthens the Child and Dependent Care Tax Credit (CDCTC) to provide meaningful financial relief to working families struggling with the crushing cost of child care in Hawai‘i. This bill builds on previous progress and takes the next essential step toward making the credit actually work for the families who need it most.

The Cost of Care Is Unsustainable

Child care in Hawai‘i is not just expensive; it is unaffordable by any reasonable measure. The average cost of preschool exceeds **\$13,000 per year**—more than in-state tuition at the University of Hawai‘i. For an infant, the cost is even higher. For a family with two young children, child care can easily consume more than a mortgage payment, leaving parents to wonder how they can possibly continue working and living in the state they call home.

This is not an abstract problem. Nearly half of Hawai‘i's children live in households experiencing financial hardship. While one in eight live in poverty, an additional three in 10 families are not officially poor but still cannot afford basic life essentials. These are working families—parents employed full-time, often in multiple jobs—who are doing everything right and still falling behind.

The Exodus We Cannot Afford

We are seeing the consequences in real time. Working-age families are choosing to leave Hawai‘i in growing numbers, driven out by the cumulative weight of housing costs, food prices, and child care expenses that outpace wages year after year. When a family calculates that they cannot afford both rent and child care, they do not stop needing child care; they start looking at mainland job listings. Every family that leaves diminishes our communities, our workforce, and our future.

The CDCTC Can and Must Do More

The Child and Dependent Care Tax Credit is designed to help families with exactly these expenses. In 2023, lawmakers took an important first step, more than quadrupling the maximum amount of expenses that could be claimed—from \$2,400 to \$10,000 for one child, and from

\$4,800 to \$20,000 for two or more. This was a recognition that child care costs had far outstripped the old limits.

But there was a critical omission. The **percentage of expenses** that can be claimed remained capped at 25% for families earning less than \$25,000, stepping down to just 15% for families earning more than \$50,000. This low cap means families cannot access the full value of the credit, even with the higher expense limit.

Consider a family earning more than \$50,000 per year with \$10,000 in preschool tuition. Under current law, they can claim only **\$1,500**—15% of their expenses. The credit helps, but it does not come close to reflecting the real burden they carry.

HB2007 Fixes This

HB2007 raises the cap on the percentage of care expenses that can be claimed. This is not a giveaway; it is a recalibration. It aligns the credit with economic reality, ensuring that the 2023 expansion of eligible expenses can actually be accessed by the families who need it.

Why This Matters

Tax credits can mean the difference between a family that can afford child care and a parent forced to leave the workforce. They are the difference between staying in Hawai‘i and moving to the mainland. They are the difference between a child with access to quality early education and a child whose family simply cannot make the numbers work.

HB2007 targets relief to lower- and middle-income families—exactly where the need is greatest and the impact most profound. It helps working parents stay in the workforce, supports early childhood development, and makes Hawai‘i just a little more affordable for the families who keep our communities running.

A Necessary Investment

Some will ask how we can afford this credit expansion. The better question is: how can we afford not to? Every family that leaves because they cannot afford child care represents a loss of talent, community, and future tax revenue. Every parent forced out of the workforce represents lost economic output and increased financial strain. Every child who misses out on quality early education represents lost potential that Hawai‘i can never recover.

Investing in child care affordability is not charity; it is economic development, workforce retention, and intergenerational investment rolled into one.

I urge you to pass HB2007 and send a clear message that Hawai‘i values its working families and will fight to keep them here.

Mahalo for the opportunity to testify.

HB-2007-HD-3

Submitted on: 3/21/2026 8:16:42 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
James E Raymond	Individual	Support	Written Testimony Only

Comments:

Thank you. I am a member of Indivisible Windward.

HB-2007-HD-3

Submitted on: 3/21/2026 9:41:15 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Jane Aquino	Individual	Support	Written Testimony Only

Comments:

Family Caregiver: Hawai'i is a high-risk state for a family caregiver shortage, with an estimated 154,000 family caregivers residing in Hawai'i. Family caregivers spend about \$7,200 of their own money on average—about 26% of their income—on out-of-pocket caregiving expenses. Add in Hawai'i's high cost of living and that some caregivers may retire early or quit work to care for loved ones, the financial sacrifices family caregivers make can be overwhelming. AARP estimates that Hawai'i's family caregivers put in 144 million hours of unpaid care a year to loved ones in Hawai'i. If they were paid, the value of what they do for others would be \$2.6 billion

Let's give everyone a chance to work. Thanks, Jane Aquino, Indivisible

HB-2007-HD-3

Submitted on: 3/21/2026 9:44:37 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Martha Nakajima	Individual	Support	Written Testimony Only

Comments:

I support this bill. Thank you. Martha Nakajima, Honolulu, member of Indivisible

HB-2007-HD-3

Submitted on: 3/21/2026 10:08:12 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Ron Brown	Individual	Support	Written Testimony Only

Comments:

Please support this compassionate and necessary measure.

HB-2007-HD-3

Submitted on: 3/21/2026 12:29:08 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Tim Huycke	Individual	Support	Written Testimony Only

Comments:

I support HB2007.

HB-2007-HD-3

Submitted on: 3/21/2026 1:08:33 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessie L Gonsalves	Individual	Support	Written Testimony Only

Comments:

Support dependent care tax credit

HB-2007-HD-3

Submitted on: 3/21/2026 1:50:58 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Larry Smith	Individual	Support	Written Testimony Only

Comments:

Aloha

Please support this Bill.

Larry Smith

Indivisible

HD 27

HB-2007-HD-3

Submitted on: 3/21/2026 2:52:40 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Brodie Lockard	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-2007-HD-3

Submitted on: 3/21/2026 8:49:51 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Lily Troy MD	Individual	Support	Written Testimony Only

Comments:

I SUPPORT HB2007 - dependent care tax credit

HB-2007-HD-3

Submitted on: 3/22/2026 9:55:13 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Taylor Quanan	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I support HB2007 because child care costs in Hawai'i are extremely high. Strengthening the Child and Dependent Care Tax Credit would provide meaningful relief to working families and help make care more affordable.

I am a mama of two under two and childcare costs are rising. Receiving a tax credit would help my ohana tremendously.

Please do the right thing for our working families.

Mahalo,

Quanan Ohana

HB-2007-HD-3

Submitted on: 3/22/2026 10:04:34 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
ANDREW ISODA	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I support HB2007 because child care costs in Hawai'i are extremely high. Strengthening the Child and Dependent Care Tax Credit would provide meaningful relief to working families and help make care more affordable

Please do the right thing for our working families.

Mahalo,

*Andrew Isoda
Lahaina, Mau'i*

HB-2007-HD-3

Submitted on: 3/22/2026 10:46:12 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Gail Morrison	Individual	Support	Written Testimony Only

Comments:

I stongly support a tax credit helping working parents and family caregivers offset costs for care for qualifying keiki, kupuna, or other dependents, allowing them to work or look for work.

Mahalo, Gail Morrison

HB-2007-HD-3

Submitted on: 3/22/2026 1:49:23 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Calvin Black	Individual	Support	Written Testimony Only

Comments:

I am a member of Indivisible. Thank you for supporting this bill.

COMMITTEE ON HEALTH AND HUMAN SERVICES

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

HEARING:

Wednesday, March 25, 2026 at 1:40 pm
Conference Room 225 & Videoconference

TESTIMONY IN **SUPPORT** OF HB 2007, HD3 - RELATING TO THE HOUSEHOLD AND
DEPENDENT CARE SERVICES TAX CREDIT.

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

My name is Christine Andrews and I am a long-term resident of Wailuku, Maui. I write to you today in **strong support of HB 2007, HD2**, relating to the household and dependent care services tax credit, which increases a taxpayer's applicable percentage of employment-related expenses that is used to calculate the household and dependent care services tax credit, establishes certain disallowance periods following a final decision that a claim for the credit was due to fraud and that the claim was disallowed, and extends the sunset date of the temporary increase in maximum employment-related expenses that are used to calculate the household and dependent care services tax credit, established by Act 163, SLH 2023, to 6/30/2030.

Nearly half of children in Hawai'i live in households experiencing financial hardship. While almost 1 in 8 are in poverty, an additional 3-in-10 families in Hawaii aren't officially poor but still don't earn enough to afford the basic life essentials. Many working-age families are choosing to move to the mainland because of the high cost of living here. This is even more so the case on Maui, where the impacts of the devastating wildfires in Lahaina have not just driven up the cost of housing island-wide, but also had severe impacts on businesses and employment that we are still struggling to rebuild and recover from.

The cost of child and dependent care in Hawai'i has skyrocketed, and this is increasing costs and reducing the potential for workforce participation. With the average cost of child care in Hawai'i exceeding \$13,000 per year, families need more support. Tax credits can ease this burden by helping people keep more of their hard-earned money. When targeted for lower- to middle-income families, tax credits can help reduce financial hardship.

The Child and Dependent Care Tax Credit (CDCTC) is meant to help with child and dependent care expenses, but it currently is too limited to provide parents the amount of support they need. We need to make the CDCTC truly reflect the economic reality of working families. I am asking you to support HB2007, HD1 which is intended to accomplish this objective. HB2007 increases the percent of care expenses that can be claimed, allowing working families to get more badly-needed help with their child and dependent care costs.

In 2023, our lawmakers took an important first step to boost the CDCTC when they more than quadrupled the maximum amount that taxpayers can claim for child and dependent care expenses, from \$2,400 for one child/dependent to \$10,000 (and from \$4,800 for two or more dependents to \$20,000). I thank those of you on this committee who helped make that possible. However, that

legislation did not increase the maximum percent of care expenses that can be claimed, which is currently capped between 25% for those earning less than \$25,000 per year to 15% for those earning more than \$50,000.

Such a low cap makes it almost impossible for families to access the full amount of the credit. For example, if a family earns more than \$50,000 per year and has pre-K tuition of \$10,000, they can claim only \$1,500 under the current cap. To allow more working families to benefit from the increase that lawmakers passed in 2023, I am asking you to support HB2007, to raise the cap on the percent of care expenses that can be claimed with the CDCTC. We should raise the cap to 50% of care expenses for those earning up to \$150,000, stepping down to 25% for those earning at least \$225,000.

Helping families afford to enroll their keiki in child care programs also reaps benefits for their parents and our community in other ways:

- Full-time child care programs allow parents to obtain stable employment, which increases the economic well-being of the family as a whole.
- Research shows that expansions of the CDCTC lead to parents' increased labor force participation in both single-parent and married-couple households.
- Such labor force participation rises especially among younger mothers, which leads to positive effects on their future career prospects and wages.
- Providing \$1 of tax relief to a household via the CDCTC will almost certainly cost the state less than \$1 because of the resulting increases in labor force participation. Act 163 intended to provide approximately \$47,000,000 of financial relief to working families but the Department of Taxation later estimated the cost of Act 163 to be only \$9,500,000. What an amazing return on investment!

In addition, early learning programs facilitate the academic and social development of young children and should be supported. Research on the benefits of quality early learning programs indicates that for every \$1 invested in quality learning programs, society saves \$4 to \$8 on remedial classes, special education, welfare programs, and criminal justice costs.

Based on the foregoing, I request you support Hawai'i families by voting in **support of HB2007, HD3.**

Mahalo for all you do for your constituents and for all Hawai'i families,

Christine L. Andrews, J.D.
Wailuku, Maui

HB-2007-HD-3

Submitted on: 3/22/2026 6:35:05 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Eileen Cain	Individual	Support	Written Testimony Only

Comments:

Aloha, Senators,

Please vote in favor of providing these tax credits to local households!

Mahalo,

Eileen Cain, Honolulu

HB-2007-HD-3

Submitted on: 3/22/2026 6:35:05 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Eileen Cain	Individual	Support	Written Testimony Only

Comments:

Aloha, Senators,

Please vote in favor of providing these tax credits to local households!

Mahalo,

Eileen Cain, Honolulu

HB-2007-HD-3

Submitted on: 3/23/2026 6:42:23 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

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

Comments:

Aloha Chair, Vice Chair, and Committee Members,

I support HB2007 because child care costs in Hawai'i are extremely high. Strengthening the Child and Dependent Care Tax Credit would provide meaningful relief to working families and help make care more affordable.

Please do the right thing for our working families.

Mahalo for this opportunity to provide testimony,

Noelle Lindenmann, Kailua-Kona

HB-2007-HD-3

Submitted on: 3/23/2026 8:23:29 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Kehaulani Coleman	Individual	Support	Written Testimony Only

Comments:

Thank you

HB-2007-HD-3

Submitted on: 3/23/2026 9:54:05 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen L Worthington	Individual	Support	Written Testimony Only

Comments:

Please vote in favor of HB2007 HD3, relating to THE HOUSEHOLD AND DEPENDENT CARE SERVICES TAX CREDIT. This is an important bill which will help lower child care costs for vulnerable families by strengthening the Child and Dependent Care Tax Credit.

Sincerely,

Karen Worthington, Kula, Maui

HB-2007-HD-3

Submitted on: 3/23/2026 12:49:05 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
J. Kehau Lucas	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I am testifying in strong support of **HB2007**, which strengthens Hawai‘i’s Child and Dependent Care Tax Credit. The evidence is clear and irrefutable: **child care costs in Hawai‘i are among the highest in the nation**, and they place an overwhelming burden on working families.

Child care in Hawai‘i is financially out of reach for many families.

- The **average annual cost of infant care in a Hawai‘i child care center is \$24,115**, or more than **\$2,010 per month**, making Hawai‘i one of the most expensive states for child care. ffyf.org
- Even home-based infant care routinely exceeds **\$11,000 per year**, according to statewide provider data. ffyf.org
- For single-parent households—who earn a median income of **\$43,050**—center-based infant care consumes **over 52% of their income**. ffyf.org

The economic impact is severe and measurable.

- Child care shortages and high costs drain an estimated **\$688 million per year** from Hawai‘i’s economy in lost earnings, productivity, and revenue. ffyf.org
- Parents regularly reduce hours, leave the workforce, or decline advancement due to inadequate or unaffordable care—patterns confirmed across Hawai‘i by statewide parent surveys. cochawaii.org

Strengthening the CDCTC is a proven solution.

- Currently, even though the allowable expenses were increased (up to **\$10,000 per dependent** and **\$20,000 for two or more dependents**), families can only claim **15–25%** of those expenses—far too little to meaningfully offset costs. speaks.haw...ii-can.org
- As a result, a family paying \$10,000 in pre-K tuition may receive only **\$1,500** under the current cap, despite far higher actual costs. speaks.haw...ii-can.org
- Research shows that expansions of the CDCTC increase labor force participation among both single and married parents—strengthening family stability and Hawai‘i’s workforce. speaks.haw...ii-can.org

For my family, our current daycare bill is \$810 per month. Next year, when our oldest enters preschool, that cost could nearly double to about \$1,500 per month, depending on the preschool she attends. We are also expecting our second child, who will need infant care, adding another \$800 per month. **Altogether, we could soon be paying \$2,300 every month for child care for just two young children.**

HB2007 would align the credit with the real economic conditions families face and ensure the support already authorized by the Legislature is truly accessible. Strengthening this tax credit is not just financially responsible—it is economically necessary for Hawai‘i’s future.

I urge you to do what is right for Hawai‘i’s working families and pass HB2007.

Mahalo nui,
J. Kēhau Lucas

HB-2007-HD-3

Submitted on: 3/23/2026 3:23:29 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

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

Comments:

Aloha Chair and Committee Members,

I support HB2007 because strengthening the Child and Dependent Care Tax Credit would provide meaningful relief to working families and help make care more affordable.

Please do the right thing for our working families.

Mahalo,

Erin Hagan

Waialua

HB-2007-HD-3

Submitted on: 3/23/2026 5:18:39 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Denize Machit	Individual	Support	Written Testimony Only

Comments:

Hawai‘i is a high-risk state for a family caregiver shortage, with an estimated 154,000 family caregivers residing in Hawai‘i. Family caregivers spend about \$7,200 of their own money on average—about 26% of their income—on out-of-pocket caregiving expenses. Add in Hawai‘i’s high cost of living and that some caregivers may retire early or quit work to care for loved ones, the financial sacrifices family caregivers make can be overwhelming. AARP estimates that Hawai‘i’s family caregivers put in 144 million hours of unpaid care a year to loved ones in Hawai‘i. If they were paid, the value of what they do for others would be \$2.6 billion. Please support this bill. We need to focus on our most vulnerable. Not on our wealthy. Mahalo for allowing me to express my thoughts.

Denize Machit

(Source: <https://generations808.com/averting-hawaiis-caregiver-crisis/>)

Childcare: With the average cost of preschool in Hawai‘i over \$13,000 per year, our working families need more help with their child care expenses. This bill would help working families make ends meet and stay in Hawai‘i. 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. That’s where tax credits come in.

(Source: look for 2026 agenda at <https://speaks.hawaii-can.org>, <https://www.livinginhawaii.com/front-page/childcare-costs-in-hawaii-guide/>)

HB-2007-HD-3

Submitted on: 3/23/2026 7:52:46 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Cory Harden	Individual	Support	Written Testimony Only

Comments:

Aloha legislators,

Please support this tax credit to help working parents and family caregivers offset costs for care for qualifying keiki, kupuna, or other dependents. Parents need help because nearly half of children in Hawai‘i live in households experiencing financial hardship. Kupuna caregivers need help because, according to AARP estimates, Hawai‘i’s family caregivers put in 144 million hours of unpaid care a year.

mahalo,
Cory Harden, Hilo
member, Indivisible

HB-2007-HD-3

Submitted on: 3/23/2026 9:34:26 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Jesse Hutchison	Individual	Support	Written Testimony Only

Comments:

Thank you!

HB-2007-HD-3

Submitted on: 3/23/2026 10:35:57 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Justice, M.D.	Individual	Support	Written Testimony Only

Comments:

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

RE: HB2007 HD3

I am a resident of Kapolei and a member of the Indivisible Hawai'i Statewide Network. I am writing to provide testimony in strong support of HB2007 HD3.

HB2007 HD3 would help many more families than Act 163, Session Laws of Hawaii 2023, by increasing a taxpayer's applicable percentage of employment-related expenses that is used to calculate the household and dependent care services tax credit. Act 163 intended to provide approximately \$47,000,000 of financial relief to working families but the Department of Taxation later estimated the cost of Act 163 to be only \$9,500,000.

Hawai'i is a high-risk state for a family caregiver shortage, with an estimated 154,000 family caregivers residing in Hawai'i. Family caregivers spend about \$7,200 of their own money on average, about 26% of their income, on out-of-pocket caregiving expenses. Add in Hawai'i's high cost of living and that some caregivers may retire early or quit work to care for loved ones, the financial sacrifices family caregivers make can be overwhelming. AARP estimates that Hawai'i's family caregivers put in 144 million hours of unpaid care a year to loved ones in Hawai'i. If they were paid, the value of what they do for others would be \$2.6 billion.

With the average cost of preschool in Hawai'i over \$13,000 per year, our working families need more help with their child care expenses. This bill would help working families make ends meet and stay in Hawai'i. 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. A tax credit helping working parents and family caregivers offset costs for care for qualifying keiki, kupuna, or other dependents, would allow them to work or look for work.

Mahalo for the opportunity to testify on this important bill. I urge its passage.

Respectfully,

Robert L. Justice, M.D.

HB-2007-HD-3

Submitted on: 3/23/2026 10:54:46 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

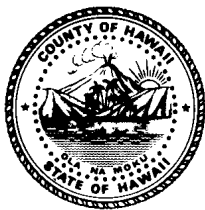
I support HB 2007 for many important reasons. Families badly need help with childcare expenses and dependent care, which along with our high cost of living, are very costly. Those costs are skyrocketing, forcing many families to leave the state for more affordable living conditions. We are losing hard-working families who participate in our labor force, contribute taxes and contribute to our community. Single parents in particular, have difficulty affording full-time child care programs that allow them to work full-time and obtain stable employment. Raising the cap on the percent of care expenses that can be claimed with the CDCTC will allow more working families to benefit from the increase lawmakers passed in 2023. Research shows that expansion of the CDCTC lead to parents' increased labor force participation in both single-parent and married-couple households. This helps our economy as well as increases participation of children in early learning programs that facilitate the academic and social development of young children. Investing in quality learning programs, saves society tremendous costs that would otherwise be needed for remedial classes, special education, welfare programs, and criminal justice costs. We need to support working parents and their children and make it feasible to live and work in our State.

Please support HB2007

Thank you,

Beth Anderson

Jennifer Kagiwada
Council Member District 2 South Hilo



Office:(808) 961-8272
jennifer.kagiwada@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai'i 96720

DATE: March 24, 2026
TO: Senate Committee on Health and Human Services
FROM: Jennifer Kagiwada, Council Member
Council District 2
SUBJECT: HB2007 HD3

Aloha Chair Buenaventura, Vice Chair Angus, and Committee Members,

I strongly support HB2007. This is important to Hawai'i because childcare is unaffordable for many working families. With costs often exceeding \$13,000 a year, parents are forced to cut work hours, leave the workforce, or rely on unstable care. Strengthening the Child and Dependent Care Tax Credit would provide real financial relief, help parents stay employed, and support the childcare providers Hawai'i depends on.

Mahalo,

A handwritten signature in black ink, appearing to read "Jenn Kagiwada".

Jenn Kagiwada

HB-2007-HD-3

Submitted on: 3/24/2026 11:48:28 AM

Testimony for HHS on 3/25/2026 1:40:00 PM

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

Comments:

Aloha, I am writing in support of HB2007 because I believe it will help families in Hawai'i, which I believe is very important. Mahalo for your consideration.

LATE

HB-2007-HD-3

Submitted on: 3/24/2026 4:44:35 PM

Testimony for HHS on 3/25/2026 1:40:00 PM

Submitted By	Organization	Testifier Position	Testify
Doris Segal Matsunaga	Individual	Support	Written Testimony Only

Comments:

As a grandmother living in Waimea on Hawaii Island, I strongly support HB2007 HD3