

STAND. COM. REP. NO. 837-16

Honolulu, Hawaii

March 4, 2016

RE: H.B. No. 1702
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1702 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to increase the household and dependent care services income tax credit by changing the basis for calculating the applicable percentage for the credit and providing a credit ranging from 15 to 25 percent of the employment-related expenses paid by the taxpayer.

The ILWU Local 142, Catholic Charities Hawaii, Phocused, and Hawaii Appleseed Center for Law and Economic Justice provided testimony in support of the measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

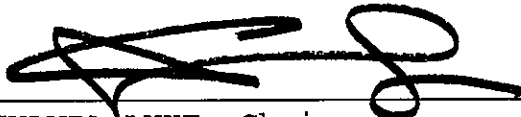
- (1) Changing the taxpayer's applicable percentages to unspecified amounts;
- (2) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

HB1702 HD1 HSCR FIN HMS 2016-2183



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1702, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



