

STAND. COM. REP. NO.

815

Honolulu, Hawaii

March 2, 2017

RE: H.B. No. 209

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 209  
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide tax relief for  
Hawaii's low-and middle-income families by amending Hawaii's  
income tax law.

Specifically, this measure:

- (1) Expands the low-income household renters income tax  
credit based on adjusted gross income and filing status;
- (2) Establishes a State Earned Income Tax Credit to allow  
resident taxpayers to claim a refundable tax credit  
equal to 20 percent of the federal earned income tax  
credit amount. The tax credit would also apply to past-  
year resident taxpayers, but it must be multiplied by  
the ratio of Hawaii adjusted gross income to the  
taxpayer's adjusted gross income from all sources;
- (3) Restores the income tax rates for high income brackets  
that were repealed in 2015; and



- (4) Permanently extends the refundable food/excise tax credit.

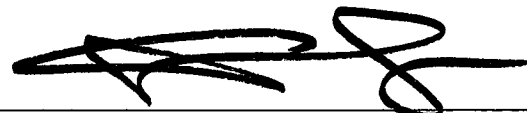
The Hawaii State Commission on the Status of Women; Democratic Party of Hawaii; Women's Caucus of the Democratic Party of Hawaii; LGBT Caucus of the Democratic Party of Hawaii; Americans for Democratic Action; Hawaii Appleseed Center for Law & Economic Justice; YWCA Oahu; Hawaii Alliance for Community-Based Economic Development; CHOW Project; Hawaiian Community Assets; Mental Health America of Hawaii; Community Alliance on Prisons; Hawaii Women's Coalition; Hawaii's Early Childhood Action Strategy; We Are One, Inc.-www.WeAreOne.cc-WAO; Unite Here Local 5 Hawaii; Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled; Catholic Charities Hawaii; Parents and Children Together; Sierra Club of Hawaii; Hawaii Children's Action Network, IMUAlliance, Common Cause Hawaii, and numerous concerned individuals testified in support of this measure. The Department of Taxation, The Chamber of Commerce Hawaii, Hawaii Association of Realtors, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 209, 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



