

STAND. COM. REP. NO.

2415

Honolulu, Hawaii

FEB 16 2018

RE: S.B. No. 2165  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2165  
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide a  
taxpayer who hires an elderly individual a nonrefundable tax  
credit for the six-month period after the individual is initially  
hired by the taxpayer.

Your Committee received testimony in support of this measure  
from the Hawai'i State Association of Counties, Hawaii Disability  
Rights Center, Kauai County Councilmember Derek S.K. Kawakami, and  
O'ahu County Committee on Legislative Priorities of the Democratic  
Party of Hawai'i. Your Committee received comments on this measure  
from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that elderly individuals often have a  
wealth of work and life experiences that allow them to make  
significant contributions to employers. Additionally, older  
workers are often highly motivated and therefore may assist  
employers to increase customer satisfaction and product quality  
and control costs. Providing tax incentives to employers to hire  
elderly individuals will help to increase employment of Hawaii's  
aging population.



Your Committee has amended this measure by:

- (1) Stipulating that any amounts upon which any other tax credit or deduction is calculated under chapter 235, Hawaii Revised Statutes, are not qualified wages for purposes of the tax credit;
- (2) Clarifying that only the final successor employer who employed the person totally disabled during the taxable year may claim the credit and that the credit cannot be claimed multiple times for the same employee; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2165, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
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JILL N. TOKUDA, Chair



