



February 5, 2018

To: Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair
Senate Committee on Human Services

From: Mandy Finlay, Director of Public Policy
Hawaii Children's Action Network

Re: **SB 2309 – Relating to the Earned Income Tax Credit**
Hawaii State Capitol, Room 16, February 5, 2018, 3:45 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support SB 2309 – Relating to the Earned Income Tax Credit.

Hawaii ranks second nationally in how heavily we tax our low-income households. We currently push low-income people deeper into poverty with taxes. As a result, nearly half of our state's families with children cannot afford to cover basic needs.

Fourteen percent (14%) of children in Hawaii live beneath the federal poverty level. These are our most "at-risk" keiki. The best way to improve outcomes for these children is to help lift their families out of poverty. Tax credits are a step in the right direction, but alone, are often not enough to make a significant difference to those who are most in need. Hawaii must make tax credits, such as the Earned Income Tax Credit, refundable. If the tax credit is refundable, filers can get tax refunds when their credits total more than the amount of income tax that they owe. This puts dollars in the pockets of families.

For these reasons, HCAN respectfully requests the Committee to support this measure.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education.

SB-2309

Submitted on: 2/4/2018 6:43:49 PM

Testimony for HMS on 2/5/2018 3:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan J. Wurtzburg	American Association of University Women, Hawaii	Support	No

Comments:

AAUW-Hawaii supports this bill.

SB-2309

Submitted on: 2/4/2018 8:24:27 PM

Testimony for HMS on 2/5/2018 3:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stacey Moniz	Hawaii State Coalition Against Domestic Violence	Support	No

Comments:

The Hawaii State Coalition Against Domestic Violence is in support of this bill which will help thousands of low income families. For some of these families, especially for victims of domestic violence, every dollar matters and the Earned Income Credit is a way that specifically helps our survivors. Thank you for your support of SB2309.



Hawaii Women's Coalition

COMMITTEE ON HUMAN SERVICES

Senator Josh Green, Chair

Senator Stanley Chang, Vice Chair

DATE: Monday, February 5, 2018

TIME: 3:45PM

PLACE: Conference Room 16

STRONG SUPPORT FOR SB2309 to establish a refundable state earned income tax credit (EITC)

Aloha Chair Green, Vice Chair Chang and members,

Although this measure was not in the Coalition package this year we fully support taking the next step for working families by implementing a refundable EITC.

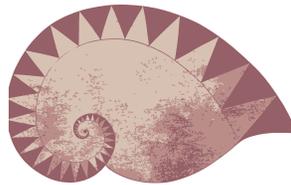
This is most definitely a women's issue as women still earn 80 cents per every dollar compared to men in Hawaii. Since a good percentage of those women are working, single mothers who exist below the poverty line, this measure is essential to preventing a total collapse of their families.

According to the National Women's Law Center, in 2013, the federal EITC lifted more than 5.3 million people out of poverty, including more than **2.7 million children and almost 1.5 million adult women**. Given the current heartless policies coming out of Washington, it seems this is the least we can do to put a safety net under Hawaii's Working Women.

Mahalo for the opportunity to testify,

Ann S. Freed Co-Chair, Hawai'i Women's Coalition

Contact: annsreed@gmail.com Phone: 808-623-5676



Pono Hawai'i Initiative

Josh Frost - President • Kau'i Pratt-Aquino - Secretary • Patrick Shea - Treasurer
Kristin Hamada • Nelson Ho • Summer Starr

Monday, February 5, 2018

Relating to Senate Bill 2309
Testifying in Support

Aloha, Chair Green, Vice-Chair Chang, and Members of the Senate Committee on Human Services,

The Pono Hawai'i Initiative (PHI) **supports SB2309 Relating to Earned Income Tax Credit**, which changes the Earned Income Tax Credit (EITC) from a nonrefundable tax credit to a refundable tax credit.

Mahalo for passing the state EITC last session. But it is not as helpful as it could be because it is not refundable. This bill would help low-income and working-class families keep more of their hard-earned money.

The tax burden on Hawai'i's lowest-income working families is the highest in the nation, due to the state's regressive General Excise Tax (GET). Minimum wage working parents pay far more in the GET than in state income tax.

That's why making our EITC refundable is so important. When tax credits are refundable, taxpayers can get refunds when their credits total more than the amount of income tax that they owe. These refunds could be used by families to pay bills, reduce their debt loads, or even help build savings. For some, the refundable credit could be the little extra they need to feel more financially secure.

For all these reasons, we urge you to move this bill forward.

Mahalo for the opportunity,
Gary Hooser
Executive Director
Pono Hawai'i Initiative, an organization member of the Common Good Coalition

SB-2309

Submitted on: 2/4/2018 6:13:10 PM

Testimony for HMS on 2/5/2018 3:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton		Support	No

Comments:



TO: Chair Green, Vice Chair Chang and the Members of the Senate Committee on Human Services

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: Monday, February 5, 2018; 3:45 p.m., Conference Room 16

RE: TESTIMONY IN SUPPORT OF SB 2309 – RELATING TO THE EARNED INCOME TAX CREDIT

We support SB 2309 – Relating to the Earned Income Tax Credit.

We commend you for passing the Hawaii state EITC last session. It will help thousands of low-income and working class families in Hawaii keep more of their hard-earned money. However, because our state EITC is not refundable – meaning the taxpayers can't get back more than what they owe in state tax income – its effectiveness is limited.

Hawaii has one of the highest cost of living in the United States and we rank second nationally in how heavily we tax our low-income households. Wages are still far below to close any livable wage gap. While the minimum wage has increased, it is still not adequate enough to deal with the price disparity. As a result many of our families are living in poverty. This is a very real issue. Many families struggle to meet their basic needs and nearly half of our state's residents live paycheck to paycheck.

History has shown that as the economy has changed to negatively impact the most vulnerable and disadvantaged in our society, it has a direct tie to increased homelessness, crime, substance abuse, decreased health, and decreased social and economic well-being. These impacts have long lasting and multi-generational consequences and impact the war on poverty and homelessness.

We support the tax initiatives like the Earned Income Tax Credit (EITC) that will ease the burden on our low income and working class families. These credits will make the tax system more equitable and adjust for the disparities of taxes such as the General Excise Tax – which has the greatest impact on our low income population. Keeping these credits relevant and up-to-date with the cost of living is also critical. Therefore, we urge you to make the EITC refundable, allowing thousands of low-income and working class families in Hawaii keep more of their hard-earned money.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 16 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, child and adolescent behavioral health programs, and community building programs.

Thank you for the opportunity to testify in **support of SB 2309**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.