

STAND. COM. REP. NO.

2548

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2208
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2208 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS,"

begs leave to report as follows:

The purpose and intent of this measure is to provide tax relief to low-income households by increasing the adjusted gross income threshold and the income tax credit for low-income household renters. The measure also provides a formula for increasing those amounts each taxable year.

The Hawaii Alliance for Community-Based Economic Development; the Hawaii Appleseed Center for Law and Economic Justice; Aloha United Way; Hawaii Primary Care Association; Partners in Care; Goodwill Industries of Hawaii; Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled; Catholic Charities Hawaii; Community Alliance on Prisons; and seven individuals submitted testimony in support of the measure. The Department of Taxation; the Tax Foundation of Hawaii; and one individual submitted comments.

Your Committee notes that the income threshold to qualify for the low-income household renters tax credit has not increased since 1989 and the amount of the renters tax credit has not increased since 1981. At the current income threshold and tax credit amount, many households that are at risk of falling into poverty do not qualify for the tax credit and those that do qualify, do not receive a tax credit of any significant amount.

SB2208 SD1 SSCR LRB 14-1715-1.doc



Your Committee finds that increasing both the low-income household renters income threshold and the tax credit amount will provide low-income household renters with meaningful tax relief.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring annual adjustments of the low-income household renters income threshold and the tax credit amount based on the Consumer Price Index;
- (2) Changing the adjusted gross income threshold and the tax credit to unspecified amounts;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2208, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB 2208</i>	Committee Referral: <i>WAM</i>	Date: <i>2-25-14</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	<i>13</i>	<i>0</i>	<i>0</i>	<i>0</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes