

STAND. COM. REP. NO. 332 -08

Honolulu, Hawaii

Feb 12, 2008

RE: H.B. No. 2379

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 2379 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to assist the working poor by establishing a refundable state earned income tax credit (EITC) equal to 20 percent of the federal EITC.

The Legal Aid Society of Hawaii, Aloha United Way, and Hawai'i Alliance for Community-Based Economic Development testified in support of this bill. The Department of Taxation (DOTAX), Department of Human Services, and Tax Foundation of Hawaii provided comments.

Your Committee notes that DOTAX's testimony states that this measure will provide approximately \$23,800,000 in tax relief to about 68,560 taxpayers. While DOTAX's testimony also cited that the Internal Revenue Service has experienced compliance problems with the EITC, a March 2007 letter from DOTAX states that the highest percentage of under-reporters are taxpayers earning less than \$10,000 or more than \$100,000 annually. Thus, your Committee believes that there is no higher risk of fraud in Hawaii for an EITC than for taxpayers in a high-income tax bracket.

HB2379 HSCR HSH HMS 2008-1579



As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2379 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Housing,



MAILE SHIMABUKURO, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSP332

Record of Votes of the Committee on Human Services & Housing

Bill/Resolution No.: <i>HB 2379</i>	Committee Referral: <i>HSH, FIN</i>	Date: <i>January 29, 2008</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. SHIMABUKURO, Maile S. L. (C)	X			
2. RHOADS, Karl (VC)	X			
3. AWANA, Karen Leinani	X			
4. BELATTI, Della Au	X			
5. BERTRAM, Joe, III	X			
6. CABANILLA, Rida T.R.	X			
7. GREEN, Josh, M.D.	X			
8. MIZUNO, John	X			
9. TOKIOKA, James Kunane				X
10. WARD, Gene, Ph.D.	X			
TOTAL (10)	9	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Paul Wood</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				