

STAND. COM. REP. NO.

2950

Honolulu, Hawaii

MAR 14 2008

RE: H.B. No. 584
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred H.B. No. 584, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish a long-term care tax credit to be applied to premium payments for long-term care insurance paid by individual taxpayers.

Testimony in support of this measure was submitted by the Department of Taxation, the American Council of Life Insurers, and the National Association of Insurance and Financial Advisors Hawaii. Comments on the measure were submitted by the University of Hawaii Public Policy Center and the Tax Foundation of Hawaii.

Your Committee finds that meeting the growing financial burden for long-term care is an urgent and complex issue facing federal and state governments, and that one potential way to reduce future costs borne by the State is to encourage individuals to purchase long-term care insurance policies. Your Committee further finds that such a strategy would unfetter funds from the government-funded Medicaid "safety-net" to serve those truly in need.

Your Committee has amended this measure by:



- (1) Changing the effective date to July 1, 2008, and the measure's applicability to taxable years beginning after December 31, 2008; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 584, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 584, H.D. 2, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

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


SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 584, HD2	HSP, EDT, WAM	3/13/08		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes