

STAND. COM. REP. NO. 3210
Honolulu, Hawaii

RE: S.B. No. 2291
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2291, S.D. 1, entitled:
"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a refundable tax credit for business-supported child care that is equal to a percentage of a taxpayer's eligible business child care expenses.

Your Committee received written comments in support of this measure from the Early Learning Board and Hawaii Children's Action Network Speaks!.

Your Committee received written comments on this measure from the Department of Taxation, Executive Office on Early Learning, and Tax Foundation of Hawaii.

Your Committee finds that this measure provides an incentive for employers to address employee child care needs by offering an income tax credit, thereby expanding access to affordable, high-quality child care options to the families of young children in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 2291, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2291, S.D. 2.

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

DONOVAN M. DELA CRUZ, Chair