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COUNTY COUNCIL
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January 29, 2020

TO: The Honorable Aaron Ling Johanson, Chair
House Committee on Labor and Public Employment
The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Alice L. Lee
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

SUBJECT: **HEARING OF JANUARY 30, 2020; TESTIMONY IN SUPPORT OF HB 2541, RELATING TO HELPING WORKING FAMILIES**

Thank you for the opportunity to testify in **support** of this important measure. This measure would: (a) make the Earned Income Tax Credit refundable and permanent; (b) increase the credit by basing it on Hawaii earned income rather than federal adjusted gross income; and (c) increase the General Excise Tax food rebate.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would take steps in mitigate tax regressivity, which is especially important to the County Council as its 2020 Legislative Package includes a bill to extend the deadline to enact a local General Excise Tax surcharge.
2. This measure would make taxation in Hawaii more progressive by increasing the General Excise Tax food rebate and making the Earned Income Tax Credit refundable—effectively allowing for another tax rebate.
3. This measure would support working families in Maui County and throughout the State by allowing them to keep more of their earned income and allowing more families to take advantage of the Earned Income Tax Credit.

For the foregoing reasons, I **support** this measure.