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Editorial | Island Voices

Working Family Tax Credit rewards hard work for low pay

By The Rev. David Gierlach

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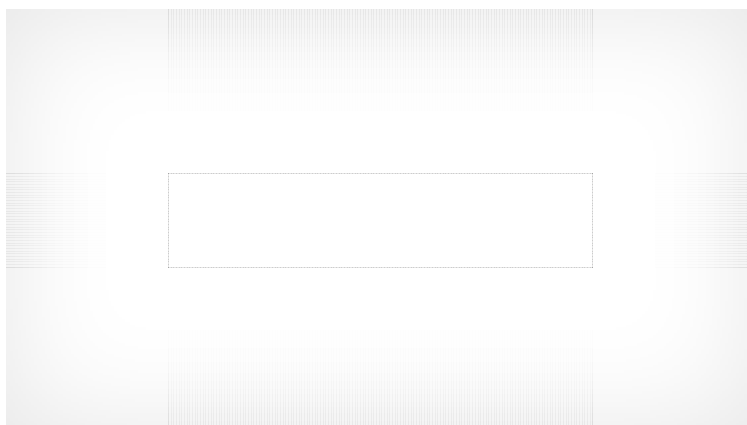
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Phil is a 42-year-old single dad raising a 4-year-old boy and a 7-year-old girl. The family lives in a 10' x 10' studio in Kalihi. Phil earns about \$12,000 per year. Both children are in elementary school and are doing their best under difficult circumstances. Phil loves to work, but with rent at nearly \$700 per month for an apartment not much bigger than many walk-in closets, keeping body and soul together is a daily struggle.

St. Elizabeth's Episcopal Church outreach to the community in Palama brings us into contact with many families like Phil's. Even a little money goes a long way.

One example: Every Tuesday morning for the last seven years, we give \$30 or \$40 to 20-30 families to help with rent and electric bills. Most of us take a roof overhead and paid utility bills for granted. For the working poor, these basics are some of the "economic realities that strangle," to borrow the words of Dr. Martin Luther King Jr.

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One of the great debates in our society when talking about folks like Phil and his kids is not so much whether, but how best to help the working poor. On one issue, the vast majority find common ground: The Working Family Tax Credit makes terrific sense.

While the topic may sound dense, it's actually a simple program that rewards hard work, that reduces the disparity between what the rich and the poor pay as a percentage of income in taxes, and it involves NO new government bureaucracy. These credits flow directly from the tax office to the worker as part of the annual income tax filing, an example of government efficiency that everyone should welcome.

The federal government, and 26 states, already provide this credit to low-wage earners — but Hawaii, the most expensive state in the union, does not have a similar credit. It's time to make Hawaii's tax policy align better with the culture of aloha and being pono, core values that make us who we are. Tax credits are an incentive to work.

As the Hawaii Appleseed Center For Law and Economic Justice points out, the Working Family Tax Credit goes only to people who actually work and earn low wages. That makes it a great incentive to stay employed because with the credit, more of what is earned is kept by the worker. The credit increases for those with children to alleviate poverty among our keiki — and who does not want to help our keiki?

More broadly, the credit is a boon to the local economy because low-income earners typically spend all of their dollars locally to meet basic needs. This is a bill that is as good for businesses as it is for the working poor, and businesses should let our legislators know that they welcome it.

A recent poll shows 81 percent of the Hawaii community supports the Working Family Tax Credit. If enacted this year, 11,000 low-income families will see a state income tax bill of zero, allowing monies that otherwise would go to pay taxes to instead purchase food, rent and gas.

We all agree self-sufficiency is better than merely depending on handouts. We all agree that a willingness to work should be encouraged. Let's further both by passing, this legislative session, the Working Family Tax Credit. The Renters' Credit and Food (GET) Credit would also help.

At the ceremonies on opening day of the state Legislature, there were encouraging statements of resolve from our elected leaders to help the most vulnerable among us. This is one practical way to translate those statements into positive actions that will make the lives of many a little less of a struggle to survive, paycheck to paycheck, and help keep them from joining the ranks of the houseless.

The Rev. David Gierlach is the rector of St. Elizabeth's Episcopal Church; he also is active in the Housing Now! Coalition.

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