

John Hamilton  
PO Box 615 Pepeekeo  
Hilo, Hawaii 96783

TESTIMONY IN SUPPORT OF:

SB766 and HB574 – RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION  
SYSTEMS

Dear Members of the 29<sup>th</sup> Hawaii State Legislature,

I support SB766 and HB574 regarding basalt tax.

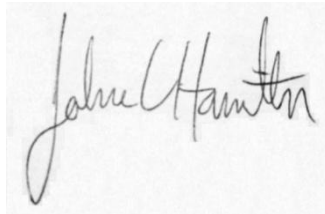
This very small tax is a gift to the future of our State. I say this because PISCES has developed a very useful means in which to utilize what is currently considered a waste product - fine crushed and powdered basalt. When sintered properly, this fine material strengthens into a usable hard material, one that could rival the extensive use of concrete in our State. Thus it is a very environmentally wise use.

This method has the potential to lower housing costs (via lowering construction material costs) as well as reducing our State's dependence on imports.

Once this infant technology becomes mature, the benefits afforded by this small tax may very well increase the business at quarries, stimulating that economic sector in ways not seen now.

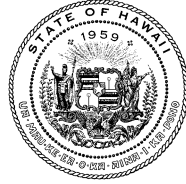
I would greatly appreciate your positive consideration of this bill.

Mahalo nui loa,  
John Hamilton

A handwritten signature in black ink that reads "John Hamilton". The signature is written in a cursive style with a large initial "J" and "H".

DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

To: The Honorable Glenn Wakai, Chair  
and Members of the Senate Committee on Economic Development, Tourism, and  
Technology

Date: Monday, February 13, 2017  
Time: 1:15 P.M.  
Place: Conference Room 414, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: S.B. 766, Relating to the Pacific International Space Center for Exploration Systems

The Department of Taxation (Department) appreciates the intent of S.B. 766 and provides the following comments for your consideration.

S.B. 766 creates the Basalt Mining Tax, a tax imposed on every wholesaler or dealer of basalt cinder and trap rock on their business activities in the State, by adding a new chapter to the Hawaii Revised Statutes. The tax is equal to 0.2 percent of the wholesale price of basalt cinder or trap rock sold by the wholesaler or dealer, whether or not sold at wholesale, or if not sold, at the same rate upon the use by the wholesaler or dealer. The bill is effective on July 1, 2017.

First, the Department notes that, in order to administer this new tax, various provisions need to be created in the new chapter, including provisions relating to:

- Obtaining a certificate of registration or license;
- Filing of periodic and annual returns;
- Remittance of payments;
- Penalties;
- Assessments;
- Overpayments and refunds;
- Appeals;
- Records that are required to be kept;
- Inspection or examination of records; and
- Disclosure of returns.

Second, the Department suggests that definitions are added for terms used in new section \_\_\_-1, including “wholesaler,” “dealer,” “wholesale price,” and “use.”

Finally, the Department requests that the effective date of this bill is amended to apply to taxable years beginning after December 31, 2020. This bill would require new licenses, forms, and instructions, as well as significant changes to the system. Because this bill would create a new tax, programming cannot begin until completion of the tax system modernization project, which is scheduled for completion in July 2019.

Thank you for the opportunity to provide comments.

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Honolulu, HI 96819  
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Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)  
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# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

February 8, 2017

TO: HONORABLE GLENN WAKAI, CHAIR, HONORABLE BRIAN TANIGUCHI, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM AND TECHNOLOGY

SUBJECT: **OPPOSITION TO S.B. 766**, RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS. Establishes an excise tax on basalt cinder and trap rock sold by wholesalers or dealers. Provides that the excise tax is paid into the Pacific international space center for exploration systems special fund. Requires moneys in excess of \$1,000,000 in the Pacific international space center for exploration systems special fund to lapse to the general fund.

HEARING

DATE: February 13, 2017  
TIME: 1:15 PM  
PLACE: Conference Room 414

Dear Chair Wakai, Vice Chair IchiyaTaniguchi and Members of the Committee,

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

**GCA is in opposition** to H.B. 574, Relating to PISCES which proposes an excise tax on basalt cinder and trap rock sold by wholesalers or dealers. The measure further provides that the excise tax is paid into the Pacific international space center for exploration systems special fund. Requires moneys in excess of \$1,000,000 in the Pacific international space center for exploration systems special fund to lapse to the general fund. While GCA appreciates the value of the program the funds are trying to promote, there are many other worthy projects that also require funding resources; all of them need to be vetted thru the budget process to ensure the State has the resources necessary to fund them. Taxing specific businesses such as the aggregate industry that have no nexus to the program being funded is, in our opinion, an improper form of taxation targeting a business trying to make a go without the burden of funding unrelated program, however worthy the program may be.

The GCA urges the committee to defer of S.B. 766. Thank you for this opportunity to present our views on this very important measure.