LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL & INTERGOVERNMENTAL AFFAIRS
TESTIMONY REGARDING SB 123
RELATING TO MOTOR VEHICLES

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)
DATE: FEBRUARY 2, 2009
TIME: 1:15PM
ROOM: 224

This measure clarifies the application of HRS § 249-10(c), which relates to a vehicular weight tax assessed on motor vehicles, including antique motor vehicles. This measure allows owners of such vehicles to operate on public roads in certain limited circumstances.

The Department of Taxation (Department) takes **no position** on this measure, **assuming there is no revenue loss** as a result of this legislation. **Should there be a revenue impact, the Department will oppose this measure due to lack of budgeted funding** and projected constraints in the financial plan.

The Department points out that this measure does not include a referral to the Ways & Means committee. Should it be determined that a revenue loss will result from this measure, the Department suggests the bill be re-referred to include Ways & Means' consideration.

DEPARTMENT OF CUSTOMER SERVICES
CITY & COUNTY OF HONOLULU
DIVISION OF MOTOR VEHICLE, LICENSING AND PERMITS
ADMINISTRATION
P.O. BOX 30300
HONOLULU, HAWAII 96820-0300

MUFI HANNEMANN
MAYOR

DANA TAKAHARA-DIAS
DIRECTOR

DENNIS A KAMIMURA
LICENSING ADMINISTRATOR

January 31, 2009

The Honorable J. Kalani English, Chair
and Committee Members
Committee on Transportation
and International Affairs
The Senate
State of Hawaii
State Capitol, Room 205
Honolulu, Hawaii 96813

Dear Chair English and Committee Members:

Subject: S.B. No. 123, Relating to Motor Vehicles

The City and County of Honolulu is opposed to S.B. No. 123 which will exempt taxes and fees for vehicles that meet the definition of antiques and expands the purposes that such vehicles may operate on public roads.

We have no objections to the expansion of the purposes that antiques may operate on public roads.

The initial intent of limiting the county motor vehicle weight tax to $10.00 was because of the limited use of the antique vehicle on public roads. The state weight tax is charged to antique vehicle only because the $10 exemption is limited to taxes imposed in Sections 249-1 to 249-3 and the state weight tax and registration fee is imposed under Sections 249-31 to 249-34.

With the current economic conditions and our fiscal challenges, the City and County of Honolulu cannot support the passage of this bill.

The City and County of Honolulu recommends that S.B. No. 123 be held.

Sincerely,

DENNIS A. KAMIMURA
Licensing Administrator

DAK:bk