

MAR 11 2016

SENATE CONCURRENT RESOLUTION

REQUESTING THE TAX REVIEW COMMISSION TO EVALUATE THE IMPACTS OF
GENERAL EXCISE AND USE TAX INCREASES PROPOSED DURING THE
REGULAR SESSION OF 2016.

1 WHEREAS, it is anticipated that a Tax Review Commission
2 will be convened, pursuant to Article VII, section 3, of the
3 State Constitution; and
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5 WHEREAS, the basic duties of the Tax Review Commission are
6 to evaluate the State's tax structure and recommend revenue and
7 tax policy; and
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9 WHEREAS, during the Regular Session of 2016, the
10 Legislature considered two proposals to increase the general
11 excise tax and use tax, one to finance long-term care benefits
12 and the other to fund education programs; and
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14 WHEREAS, reliable estimates of the general fund revenue
15 impacts of the proposed general excise and use tax increases
16 were relatively easy to obtain from the Department of Taxation;
17 and
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19 WHEREAS, other impacts, however, were not understood or
20 fully discussed because of the lack of sufficient objective
21 information; and
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23 WHEREAS, the impacts that should be better understood
24 include the following:
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- 26 (1) The persons or businesses that will actually bear the
27 cost of the tax increases;
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29 (2) The extent of any regressivity that is likely to be
30 caused by the tax increases;
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- 1 (3) The compatibility of the tax increases with the
- 2 public's general preference for a progressive tax
- 3 structure;
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- 5 (4) The necessity for income tax credits to relieve the
- 6 burden on low-income residents;
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- 8 (5) The proportion of the tax increases that will be
- 9 exported;
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- 11 (6) The assurance that revenues from the tax increases
- 12 would be dedicated to and expended exclusively for
- 13 their intended purpose;
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- 15 (7) The fairness of imposing such a broad and substantial
- 16 tax increase on all taxpayers, including many who
- 17 would not benefit from the programs that the tax
- 18 increases are intended to fund; and
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- 20 (8) The capability of the Department of Taxation to
- 21 implement the tax increases; now, therefore,
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23 BE IT RESOLVED by the Senate of the Twenty-eighth
 24 Legislature of the State of Hawaii, Regular Session of 2016, the
 25 House of Representatives concurring, that the Tax Review
 26 Commission is requested to conduct or commission a study
 27 evaluating the impacts of a general excise and use tax increase,
 28 as proposed under Senate Bill No. 2599 for public education and
 29 Senate Bill No. 2478 for long-term care financing; and
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31 BE IT FURTHER RESOLVED that the Tax Review Commission is
 32 requested to submit the study to the Legislature and Governor
 33 with the Commission's Final Report under Article VII, section 3,
 34 of the State Constitution; and
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36 BE IT FURTHER RESOLVED that a certified copy of this
 37 Concurrent Resolution be transmitted to the Chairperson of the
 38 Tax Review Commission.

39 *Breanne Kamae*
 40 *Abelie GSK*
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Mike Gabbel

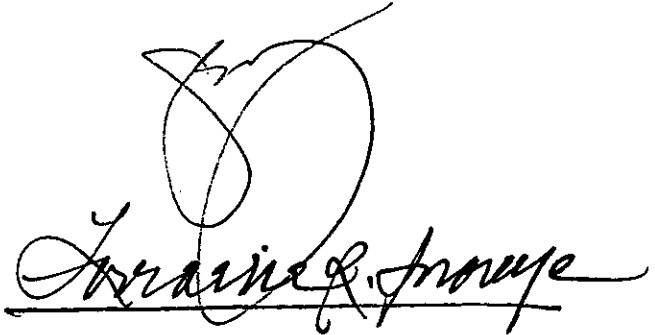
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