

MAR 03 2016

SENATE CONCURRENT RESOLUTION

REQUESTING THE TAX REVIEW COMMISSION TO EVALUATE INCOME TAX
CREDITS, EXCLUSIONS, AND DEDUCTIONS.

1 WHEREAS, it is anticipated that a Tax Review Commission
2 will be convened pursuant to article VII, section 3, of the
3 Hawaii 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, the various credits, exclusions, and deductions
10 under the state income tax law represent major components of the
11 State's tax structure and tax policy; and

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13 WHEREAS, the Legislature finds that the current income tax
14 credits, exclusions, and deductions require evaluation to
15 determine their tax expenditures, benefits, merit, and
16 necessity; and

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18 WHEREAS, the Legislature further finds that tax
19 expenditures from the credits, exclusions, and deductions reduce
20 revenues to the State; and

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22 WHEREAS, the reduction of revenues requires ordinary
23 taxpayers who do not benefit from the credits, exclusions, or
24 deductions to compensate for the reduced revenues; and

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26 WHEREAS, alternatively, funding for important state
27 programs must be curtailed; and

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29 WHEREAS, the Legislature further finds that good tax policy
30 requires the equal treatment of similarly-situated taxpayers for
31 the sake of equity and efficiency; and



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2 WHEREAS, when certain taxpayers receive special benefits to
3 the detriment of others, it may generate resentment that leads
4 to the loss of the general public's confidence in fair treatment
5 by the state government; and
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7 WHEREAS, the Legislature, however, finds that certain tax
8 credits, exclusions, and deductions are worthy of continuation
9 for equity, efficiency, and economic and social policy; and
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11 WHEREAS, thus, the Legislature finds that an independent,
12 objective evaluation by experts of existing income tax credits,
13 exclusions, and deductions is necessary to assist the
14 Legislature in identifying those credits, exclusions, and
15 deductions that should be retained, modified, or repealed; and
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17 WHEREAS, the 2005-2007 Tax Review Commission reviewed
18 certain general excise and use tax exemptions and deductions,
19 and the results were immensely helpful to subsequent
20 Legislatures; now, therefore,
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22 BE IT RESOLVED by the Senate of the Twenty-eighth
23 Legislature of the State of Hawaii, Regular Session of 2016, the
24 House of Representatives concurring, that the Tax Review
25 Commission is requested to conduct or commission a study
26 evaluating all or certain state income tax credits, exclusions,
27 and deductions; and
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29 BE IT FURTHER RESOLVED that, if all income tax credits,
30 exclusions, and deductions cannot be evaluated because of
31 resource or time constraints, the Tax Review Commission is
32 requested to evaluate those that result in the most significant
33 loss of state general fund revenues; and
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35 BE IT FURTHER RESOLVED that the Tax Review Commission is
36 requested to submit its findings and recommendations to the
37 Legislature and Governor, along with the Tax Review Commission's
38 evaluation pursuant to article VII, section 3, of the Hawaii
39 State Constitution; and
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1 BE IT FURTHER RESOLVED that a certified copy of this
2 Concurrent Resolution be transmitted to Chairperson of the Tax
3 Review Commission.

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OFFERED BY: _____

