
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM TO CONVENE AN ECONOMIC DEVELOPMENT AND TAX REFORM
WORKING GROUP TO STUDY, AMONG OTHER THINGS, THE ECONOMIC
OUTCOME OF TRANSFERRING THE AUTHORITY TO TAX REAL PROPERTY
BACK TO THE STATE AND ALLOCATING A PORTION OF GENERAL
EXCISE TAX REVENUES TO THE COUNTIES.

1 WHEREAS, Hawaii's high cost of living, as well as the
2 regressive nature of the general excise tax, serve as
3 impediments for local residents who seek to purchase their first
4 home; and
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6 WHEREAS, because of the challenges involved in becoming
7 homeowners, many state residents are unable to take advantage of
8 Hawaii's homeowner-friendly atmosphere, which includes having
9 the nation's lowest real property taxes and reliable
10 appreciation in real property values; and
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12 WHEREAS, those reaping the benefits of real property
13 ownership are often affluent investors based outside of the
14 State who do not share in the difficulties faced by local
15 residents and who, instead, are focused on their desire to make
16 profits, rather than in making Hawaii their home; and
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18 WHEREAS, such disadvantages spur a significant percentage
19 of the population to depart Hawaii permanently for other
20 locations, thus causing a negative impact on the state economy;
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23 WHEREAS, in order to address the economic impact of this
24 problem, the State should consider a reformation of the current
25 tax system, with respect to real property taxes and the general
26 excise tax; now, therefore,
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1 BE IT RESOLVED by the House of Representatives of the
2 Twenty-ninth Legislature of the State of Hawaii, Regular Session
3 of 2017, the Senate concurring, that the Department of Business,
4 Economic Development, and Tourism is requested to convene an
5 Economic Development and Tax Reform Working Group (Working
6 Group) to study the economic outcome of:

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- 8 (1) Transferring the authority to tax real property back
9 to the State;
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 - 11 (2) Allocating a portion of general excise tax revenues to
12 the counties; and
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 - 14 (3) Adjusting the State's personal income tax structure to
15 ease the economic burden on resident taxpayers; and
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17 BE IT FURTHER RESOLVED that, as part of its study, the
18 Working Group is requested to:

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- 20 (1) Determine the following:
 - 21 (A) How real property tax revenues are currently
22 allocated to fund county services; and
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 - 24 (B) How all state tax revenues are currently
25 allocated to fund government services; and
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 - 28 (2) Study the feasibility and economic impact of
29 establishing tax benefits, to be claimable by state
30 residents, for the purpose of offsetting real property
31 taxes; and
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33 BE IT FURTHER RESOLVED that the Department of Business,
34 Economic Development, and Tourism is requested to include in the
35 Working Group:

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- 37 (1) The Director of Business, Economic Development, and
38 Tourism, or the director's designee;
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 - 40 (2) The Director of Taxation, or the Director's designee;
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 - 42 (3) The Director of Finance, or the Director's designee;



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(4) A member representing each county, to be appointed by the Mayor of each respective county;

(5) A representative of The Chamber of Commerce Hawaii;

(6) A representative of the Economic Research Organization at the University of Hawaii;

(7) A member appointed by the Speaker of the House of Representatives; and

(8) A member appointed by the Senate President; and

BE IT FURTHER RESOLVED that the Director of Business, Economic Development, and Tourism, or the Director's designee, is requested to serve as chairperson of the Working Group; and

BE IT FURTHER RESOLVED that no member shall be made subject to chapter 84, Hawaii Revised Statutes, solely because of that member's participation as a member of the Working Group; and

BE IT FURTHER RESOLVED that the Department of Business, Economic Development, and Tourism is requested to provide administrative support to the Working Group; and

BE IT FURTHER RESOLVED that the Working Group is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Business, Economic Development, and Tourism, Director of Finance, Director of Taxation, Speaker of the House of Representatives, Senate President, Mayor of each county, Executive Director of the Economic Research Organization at the



H.C.R. NO. 169

1 University of Hawaii, and Chair of the Board of Directors of The
2 Chamber of Commerce Hawaii.

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OFFERED BY:

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MAR 10 2017

