
SENATE CONCURRENT RESOLUTION

REQUESTING THAT A TAX POLICY TASK FORCE BE ESTABLISHED TO
CONDUCT A HOLISTIC REVIEW OF THE STATE AND COUNTY TAX
STRUCTURES AND TO DETERMINE HOW THE CURRENT STATE AND
COUNTY TAX STRUCTURES AFFECT VARIOUS SECTORS OF THE
ECONOMY.

1 WHEREAS, state and county tax policies can have both
2 positive and negative impacts upon state and county funding
3 resources, the economy, housing options, social safety net
4 programs, the environment, energy, education, and the people;
5 and
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7 WHEREAS, Hawaii's state and county tax policies have worked
8 independently of each other without regard to the cumulative
9 impact and burden upon taxpayers, and at times have been
10 inconsistent, counter-productive, and based on invalid economic
11 assumptions and projections; and
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13 WHEREAS, this was recently demonstrated by the dispute
14 between the State and the City and County of Honolulu over the
15 collection and distribution of the general excise surcharge;
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17 WHEREAS, in recent years, Hawaii's state and county tax
18 policies have also shifted a greater portion of the tax and
19 revenue burden onto the lower and middle income classes and
20 reduced the tax and revenue burden away from the higher income
21 classes, corporations and big businesses, and special interest
22 groups; and
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24 WHEREAS, the counties are faced with ever increasing
25 administrative costs of public services for residents and large
26 daily populations of visitors and military personnel; and
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28 WHEREAS, real property taxes are the primary source of
29 revenues for the counties; and
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1 WHEREAS, real property values and real property taxes have
2 skyrocketed in the four counties; and

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4 WHEREAS, the increases in real property taxes have been
5 "too much and too fast" for most taxpayers; and

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7 WHEREAS, the present administration of real property taxes
8 imposes an unfair burden upon homeowners and renters and, in
9 many cases, upon those who can least afford it; and

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11 WHEREAS, Hawaii homeowners and renters, particularly the
12 elderly, the poor, the disabled, and those on fixed low incomes,
13 are at risk of losing their homes in this already tight housing
14 market; and

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16 WHEREAS, homeowners and renters have no control or defense
17 against rising property values, which are fueled by out-of-state
18 and global economic forces; and

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20 WHEREAS, the Mayor of the City and County of Honolulu has
21 recently formed a Tax Policy Committee in response to opposition
22 to the skyrocketing real property taxes and the City Council of
23 the City and County of Honolulu has passed tax relief measures,
24 which many believe is insufficient; and

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26 WHEREAS, it is impossible to achieve a fair and equitable
27 tax revenue base for the counties to provide essential public
28 services if the base is limited to the real property tax; and

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30 WHEREAS, the counties have sought and continue to seek more
31 sources of revenues from the State, including the recently
32 passed general excise tax surcharge, the transient
33 accommodations tax, and state grants and appropriations; and

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35 WHEREAS, better cooperation and coordination between the
36 State and the counties could make tax collection less costly,
37 more efficient, and more equitable; and

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39 WHEREAS, a holistic review of Hawaii's state and county tax
40 structures should be conducted to achieve an equitable system
41 for the State, the counties, and the taxpayers; now, therefore,
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43 BE IT RESOLVED by the Senate of the Twenty-third
44 Legislature of the State of Hawaii, Regular Session of 2006, the



1 House of Representatives concurring, that it is requested that a
2 tax policy task force be created to:

- 3
4 (1) Conduct a holistic review of Hawaii's state and county
5 tax structures;
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7 (2) Determine how the state and county tax structures,
8 particularly the real property tax, affect various
9 sectors of the economy, such as low-income and middle-
10 income taxpayers;
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12 (3) Identify aspects of the state and county tax
13 structures that present particular obstacles to
14 equity;
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16 (4) Analyze who bears the ultimate tax burden with respect
17 to any particular tax, including the real property
18 tax; and
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20 (5) Recommend, with public input from interested
21 stakeholders, how the state and county tax structures
22 can be improved to achieve an equitable system for the
23 State, the counties, and the taxpayers; and
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25 BE IT FURTHER RESOLVED that the Tax Policy Task Force
26 should be comprised of five members with a member selected by:

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28 (1) The Governor;
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30 (2) The Mayor of the City and County of Honolulu;
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32 (3) The Mayor of Maui County;
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34 (4) The Mayor of Hawaii County; and
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36 (5) The Mayor of Kauai County; and
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38 BE IT FURTHER RESOLVED that the member selected by the
39 Governor is requested to convene the first meeting of the Tax
40 Policy Task Force; and
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42 BE IT FURTHER RESOLVED that the Director of the Department
43 of Taxation and the directors of the finance departments of



1 Honolulu, Maui, Hawaii, and Kauai counties are requested to
2 cooperate with the Tax Policy Task Force; and

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4 BE IT FURTHER RESOLVED that the Tax Policy Task Force make
5 a report, including any findings and recommendations, to the
6 Legislature not later than twenty days prior to the convening of
7 the Regular Session of 2007; and

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9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the Governor, the
11 Director of the Department of Taxation, and the Mayors and the
12 directors of the finance departments of Honolulu, Maui, Hawaii,
13 and Kauai counties.

