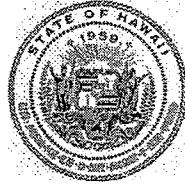


LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
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SENATE COMMITTEE ON INTERGOVERNMENTAL & MILITARY AFFAIRS

**TESTIMONY REGARDING SB 2448
RELATING TO THE ARMED SERVICES**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: JANUARY 28, 2008

TIME: 1:15PM

ROOM: 229

*****WRITTEN TESTIMONY ONLY*****

This bill proposes to exempt Hawaii residents in the armed services, reserves, or National Guard from the vehicle tax and registration fees imposed under Chapter 249, Hawaii Revised Statutes.

The Department of Taxation (Department) **supports the intent** of this measure; however **prefers the Lingle-Aiona Administration measure, SB 3036.**

STRONG SUPPORT FOR THE NATIONAL GUARD—This legislation provides for a much-deserved exemption from the vehicle tax and registration fees associated with licensing a motor vehicle. This exemption is extended to members of the National Guard, reserves, all branches of the armed services, including the Coast Guard, provided the individual is in good standing and a resident of Hawaii. Members of the various armed services that protect this country should be exempt from taxation on their vehicle, especially since their absence when called to duty would otherwise result in the payment of these fees for the nonuse of an automobile.

ELIMINATE REFERENCE TO FEDERAL LAW—The Department suggests that the reference to implementation of the measure "in a similar manner" as that of the Soldiers' & Sailors' Civil Relief Act be eliminated. The reference is unnecessary and ties the tax break to a federal law that is outside the control of local lawmakers and could be changed at any time.

This legislation will result in a decrease to the State Highway Fund of approximately \$689,000 per year.

**HAWAII NATIONAL GUARD ENLISTED ASSOCIATION
3949 DIAMOND HEAD ROAD
Honolulu, Hawaii 96816-4495
January 25, 2008**

COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

Senator Lorraine R. Inouye, Chair
Senator Shan S. Tsutsui, Vice Chair

SENATE HEARING

DATE: Monday, January 28, 2008
TIME: 1:15 pm
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

From: CMSgt Ethan Toyama
President of the Hawaii National Guard Enlisted Association

Subject: Testimony in strong support of SB2448

Chair, Vice-Chair, and Members of the Committee:

My name is Chief Master Sergeant Ethan Toyama, President of the Hawaii National Guard Enlisted Association. I am providing testimony in strong support of SB2448, which will provide an exemption of vehicle taxes and registration fees for members of the National Guard and Reserves.

This bill will help balance out the out of pocket cost to guardsmen and it is a key to improving recruitment and retention in the Guard. This bill will also extend the same privileges to the Guard and Reserves that are already extended to active duty servicemen. The financial help will also show that the state recognizes the commitment of the guardsmen and reservists to our State, its citizens, and our nation.

Our guardsmen and reservists have made many sacrifices to support us during times of need, and I believe we should honor them and take care of them to ensure that the State of Hawaii is prepared and ready to deal with any emergency that could come upon us.

I thank you for your commitment and dedication to the well being of our State and the servicemen that defend it.

Hawaii National Guard Association
360 Mamala Bay Drive
Hickam AFB 96853
Peter.ching@hick.af.mil

Testimony to the Senate Committee on
Intergovernmental and Military Affairs on
Monday, January 28, 2008
Conference Room 229
1:15 pm

**RE: Testimony in Strong Support of SB 2448- Vehicle Tax & Registration
Exemption for Active and Reserve Military**

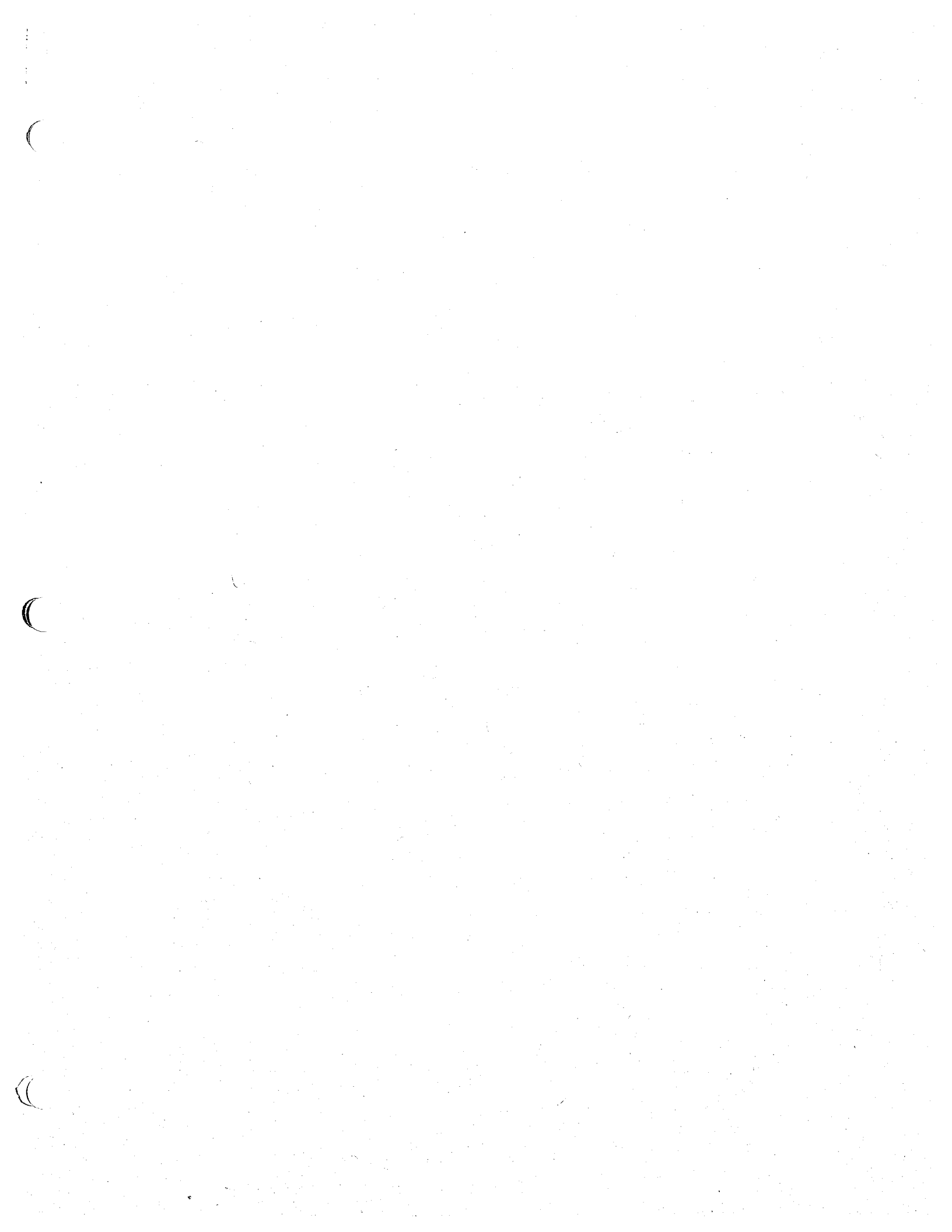
Madam Chairwoman, Vice-Chair, and members of the Committee, I appreciate the opportunity to testify in strong support of SB 2448, which will give guardsmen and reservists an exemption of vehicle taxes and registration fees.

My name is Lieutenant Colonel Peter Ching and I am the president of the Hawaii National Guard Association, which represents the men and women in the Hawaii Air and Army National Guard.

We all know that the cost of living and the living wage in Hawaii is disproportionately high in comparison to the average income. For most families, any financial help is greatly appreciated, and in the case of the guardsmen, who make personal sacrifices on behalf of the state, the financial help would also honor their commitment and recognize their efforts.

This exemption is long overdue. In fact, I'm surprised that it hasn't been implemented earlier. I ask for your support today in the hopes of finally allowing guardsmen and reservists a chance to enjoy the privileges that active duty military servicemen already receive.

As beneficiaries of their courageous and dedicated service, the people of this State bear a special responsibility toward United States military forces, and I hope that you choose to honor that responsibility today.



LATE

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON SENATE BILL 2448
A BILL FOR AN ACT RELATING TO THE ARMED SERVICES

PRESENTATION TO THE
SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

BY

MAJOR GENERAL ROBERT G. F. LEE
ADJUTANT GENERAL
January 28, 2008

Chair Inouye and Committee Members:

I am Major General Robert G. F. Lee, State Adjutant General. I am testifying on Senate Bill 2448. This bill exempts members of the National Guard, military reserve, or armed service, including the Coast Guard from State and county vehicular taxes and fees for non-commercial vehicles.

We support the intent and motive behind this measure, but we would prefer the Administration's submission of Senate Bill 3114 relating to motor vehicles.

If Senate Bill 3114 is passed, it exempts good standing members of the National Guard, reserves, or armed services, including the Coast Guard from county vehicular taxes and fees for their privately owned vehicles. We concur that this measure should be applicable to personal vehicles owned by our military members and not to commercial vehicles.

Passage Senate Bill 3114 would strongly indicate to the members of the Guard, reserves, or armed services, including the Coast Guard, especially those that recently returned from Iraq and Afghanistan that Hawaii truly cares and supports their duty to State and nation. Incentives and benefits such as this exemption would certainly influence our highly trained and experienced soldiers to remain in the Reserve Components, active military, and the Coast Guard, and would also assist in our recruiting program. It has always been our intent to exempt all individuals of the guard, reserves, active military, and Coast Guard from the fees



**The Chamber of
Commerce of Hawaii**
Since 1850

LATE

TESTIMONY TO THE SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS
MONDAY, JANUARY 28, 2008
1:15 P.M. IN ROOM 229

Re: SB 2448 RELATING TO THE ARMED SERVICES

Chair Inouye, Vice Chair Tsutsui, and Members of the Committee:

My name is Charlie Ota and I am the Vice President of the Military Affairs Department of The Chamber of Commerce of Hawaii. The Department oversees the Military Affairs Council (MAC) which serves as a liaison seeking solutions to issues of common concern to the military, private sector, and state.

The MAC submits testimony in support of Senate Bill 2448, relating to the Armed Services, which proposes to extend an exemption to vehicle tax and registration fee to members of the National Guard, reserves, and other military personnel. This exemption is similar to the exemption extended nonresident military personnel under the federal Soldiers and Sailors Civil Relief Act.

The US military has undergone a transformation that has resulted in creating a single military force consisting of active duty, reserve, and guard units. Hawaii residents have witnessed this transformation as thousands of Hawaii's National Guards and reserve members have deployed and will continue to deploy in fighting the ongoing global war against terrorism. This bill will result in providing an equal vehicle tax and registration fee exemptions to all members of the US armed forces in Hawaii.

In light of the above, the MAC strongly recommends approval of SB2448 as written.