
HOUSE CONCURRENT RESOLUTION

REQUESTING THAT THE DEPARTMENT OF TAXATION UNDERTAKE A STUDY TO DETERMINE THE FEASIBILITY OF EXEMPTING FROM THE GENERAL EXCISE TAX IMPOSED UNDER CHAPTER 237, HAWAII REVISED STATUTES, LESS THAN CONTAINER LOAD SHIPPING TO THE ISLANDS OF THE COUNTY OF MAUI.

1 WHEREAS, the County of Maui, unique among the counties
2 making up the State, is comprised of three major inhabited
3 islands, Maui, Molokai, and Lanai; and
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5 WHEREAS, the total populations of the County of Maui is
6 approximately 128,000, with the populations of Molokai and Lanai
7 being 8,000 and 3,200 persons, respectively; and
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9 WHEREAS, the only surface transportation for goods and
10 commodities serving Molokai and Lanai from Honolulu and Maui are
11 interisland barge service provided by Young Brothers, Limited;
12 and
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14 WHEREAS, due to the relatively smaller size of the
15 populations of Molokai and Lanai, the vast majority of shipments
16 of goods and commodities to Molokai and Lanai is by less than
17 container load consolidated shipping on pallets; and
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19 WHEREAS, while Molokai and Lanai are served by direct
20 service from Honolulu, the only way to get freight from Maui to
21 either Molokai or Lanai is by transshipment through Honolulu,
22 which layover incurs additional State of Hawaii wharfage fees;
23 and
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25 WHEREAS, the costs of shipping goods and commodities to
26 Molokai and Lanai due to the less than container load sizes and
27 handling requirements raises the costs of shipping all goods and
28 commodities to Molokai and Lanai from Honolulu or from Maui;
29 now, therefore,



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BE IT RESOLVED by the House of Representatives of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2009, the Senate concurring, that the Department of Taxation is requested to undertake a study, with cooperation from the Attorney General, Department of Transportation, Public Utilities Commission, and Young Brothers, Limited, on the feasibility of providing an exemption from the tax imposed by chapter 237, Hawaii Revised Statutes, for the shipments of all goods and commodities to the islands of Molokai and Lanai from Honolulu and Maui; and

BE IT FURTHER RESOLVED that the study should consider but not be limited to the following:

- (1) An estimate on the total amount of freight, goods, and commodities being shipped to the islands of Molokai and Lanai from each of Honolulu and Maui;
- (2) An estimate of the loss in revenues that would result from this exemption;
- (3) An estimate of the loss of revenues that would result if the additional wharfage fees charged for transshipments from Maui to Molokai and Lanai through Honolulu were waived; and
- (4) Whether an exemption from the tax imposed by chapter 237, Hawaii Revised Statutes, for Molokai and Lanai, due to their relative populations and almost total reliance on less than container load shipping from both Honolulu and Maui would be deemed to be a special law and found to be unconstitutional under the Hawaii State Constitution; and

BE IT FURTHER RESOLVED that the Attorney General, Department of Transportation, Public Utilities Commission, and Young Brothers, Limited, are requested to provide the Department of Taxation with any research, data, and other information required by the Department of Taxation to complete this study; and

BE IT FURTHER RESOLVED that the Department of Taxation is requested to submit the findings and recommendations of its



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1 study, along with any proposed legislation, to the Legislature
2 not later than twenty days prior to the convening of the Regular
3 Session of 2010; and

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5 BE IT FURTHER RESOLVED that certified copies of this
6 Concurrent Resolution be transmitted to the Director of
7 Taxation, Attorney General, Director of Transportation,
8 Chairperson of the Public Utilities Commission, and Young
9 Brothers, Limited.

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OFFERED BY: *Mele Carroll*

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