
HOUSE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE IMPACT
OF LEVYING THE PUBLIC UTILITIES FRANCHISE TAX ON CABLE AND
TELECOMMUNICATIONS COMPANIES.

1 WHEREAS, section 240-1, Hawaii Revised Statutes (HRS),
2 levies a tax of two-and-one-half percent on the gross receipts
3 from all electric power furnished to consumers by public
4 utilities; and

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6 WHEREAS, although the public utilities franchise tax was
7 established by state law, its receipts are transferred to the
8 counties, which benefit from it; and

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10 WHEREAS, the amount of public utilities franchise tax
11 revenues collected by the City and County of Honolulu (Honolulu)
12 for fiscal year 2007-2008 exceeded \$36 million; and

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14 WHEREAS, the public utilities franchise tax revenues are
15 deposited into Honolulu's highway fund and used for repair and
16 maintenance of city roadways; and

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18 WHEREAS, cable and telecommunications companies also use
19 county easements and other property to transmit their services
20 to customers; and

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22 WHEREAS, despite their use of county property, cable and
23 telecommunications companies are not required to pay the public
24 utilities franchise tax; now, therefore,

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26 BE IT RESOLVED by the House of Representatives of the
27 Twenty-fifth Legislature of the State of Hawaii, Regular Session
28 of 2009, that the Legislative Reference Bureau (LRB) is
29 requested to study the impact of levying the public utilities
30 franchise tax on cable and telecommunications companies; and



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1 BE IT FURTHER RESOLVED that LRB submit its study to the
2 Legislature no later than 20 days prior to the convening of the
3 Regular Session of 2010; and

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5 BE IT FURTHER RESOLVED that a certified copy of this
6 Resolution be transmitted to the Director of LRB.

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OFFERED BY:


BY REQUEST

MAR 18 2009

