
HOUSE 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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31 BE IT RESOLVED by the House of Representatives of the
32 Twenty-fifth Legislature of the State of Hawaii, Regular Session



1 of 2009, that the Department of Taxation is requested to
2 undertake a study, with cooperation from the Attorney General,
3 Department of Transportation, Public Utilities Commission, and
4 Young Brothers, Limited, on the feasibility of providing an
5 exemption from the tax imposed by chapter 237, Hawaii Revised
6 Statutes, for the shipments of all goods and commodities to the
7 islands of Molokai and Lanai from Honolulu and Maui; and

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

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- 12 (1) An estimate on the total amount of freight, goods, and
13 commodities being shipped to the islands of Molokai
14 and Lanai from each of Honolulu and Maui;
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 - 16 (2) An estimate of the loss in revenues that would result
17 from this exemption;
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 - 19 (3) An estimate of the loss of revenues that would result
20 if the additional wharfage fees charged for
21 transshipments from Maui to Molokai and Lanai through
22 Honolulu were waived; and
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 - 24 (4) Whether an exemption from the tax imposed by chapter
25 237, Hawaii Revised Statutes, for Molokai and Lanai,
26 due to their relative populations and almost total
27 reliance on less than container load shipping from
28 both Honolulu and Maui would be deemed to be a special
29 law and found to be unconstitutional under the Hawaii
30 State Constitution; and

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

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39 BE IT FURTHER RESOLVED that the Department of Taxation is
40 requested to submit the findings and recommendations of its
41 study, along with any proposed legislation, to the Legislature
42 not later than twenty days prior to the convening of the Regular
43 Session of 2010; and

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1 BE IT FURTHER RESOLVED that certified copies of this
2 Resolution be transmitted to the Director of Taxation, Attorney
3 General, Director of Transportation, Chairperson of the Public
4 Utilities Commission, and Young Brothers, Limited.

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OFFERED BY: Mele Carroll

MAR 18 2009

