

LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



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DIRECTOR OF TAXATION

STANLEY SHIRAKI  
DEPUTY DIRECTOR

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**HOUSE COMMITTEE ON FINANCE  
TESTIMONY REGARDING HB 2872  
RELATING TO TAXATION**

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

**DATE: FEBRUARY 17, 2010**

**TIME: 1:30PM**

**ROOM: 308**

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This measure temporarily increases the state portion of the franchise tax from July 1, 2010 until June 30, 2015 and suspends the requirement that \$2,000,000 be deposited into the compliance resolution fund.

The Department of Taxation (Department) **opposes the tax increase** contained in this measure and recommends that this measure be held. The Department defers to the Department of Commerce and Consumer Affairs as to whether the \$2,000,000 is needed for the compliance resolution fund.

**A TAX INCREASE**—The Department opposes this tax increase. The Department does not support tax increases, especially increases that will simply increase the costs to consumers at a time when taxpayers cannot afford such increases.

**REVENUE IMPACT** – This bill would increase general fund revenues by approximately \$4.8 million per year from fiscal year 2011 until fiscal year 2015.