

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 564, RELATING TO VEHICLE TAXES  
PRESENTATION TO THE  
COMMITTEE ON VETEANS MILITARY, & INTERNATIONAL AFFAIRS  
& CULTURE AND THE ARTS

BY

MR. RONALD P. HAN  
DIRECTOR OF STATE OFFICE OF VETERANS SERVICES

February 6, 2013

Good morning Chair Takai, Vice Chair Ito and Committee members:

I am Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to support the concept of House Bill 564 which provides that a state vehicle weight tax for one vehicle registered for certain permanently totally disabled veterans for a vehicle that has a net weight of ten thousand pounds or less, at \$50 or \$100 for a vehicle that has a net weight of more than ten thousand pounds.

**Recommend Changes: Paragraph (a) on Page 2.**

**Discharged or released under conditions other than dishonorable from the United States armed forces;**

The OVS supports the intent of this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Biennium Budget for Fiscal Years 2003-2015.

Given our current economic circumstances, it may not be practical to implement this measure at this time. It most definitely is a matter worthy of consideration when the state's fiscal situation improves.

Thank you for this opportunity to speak on behalf of Hawaii's veteran community.



February 2<sup>nd</sup> , 2013

**TESTIMONY IN SUPPORT OF HOUSE BILL 564  
RELATING TO VEHICULAR TAXES.**

**HOUSE COMMITTEE ON VETERANS MILITARY AND INTERNATIONAL  
AND CULTURAL AFFAIRS**

**HEARING ON WEDNESDAY, FEBRUARY 6<sup>TH</sup> AT 8:30 AM, IN CONFERENCE  
ROOM 312**

Aloha Chair Takai: The Oahu Veterans Council is honored to serve at the pleasure of our veterans and their families. On February 2<sup>nd</sup> , our committee reviewed and voted unanimously to support House Bill 564.

We are extremely grateful for your efforts to provide a state vehicle weight tax preference for one vehicle registered for certain permanently totally disabled veterans for a vehicle that has a net weight of ten thousand pounds or less, at \$50 or \$100 for a vehicle that has a net weight of more than ten thousand pounds.

Providing this preference is much appreciated by our totally and permanently disabled veterans who served so selflessly; they ask for no more recognition than we would expect for ourselves.

The Oahu Veterans Council respectfully urges your committee to consider passing House Bill 564 as written. Mahalo, for allowing us to testify, regarding this extremely important issue.

*Dennis Egge*

Dennis Egge; Chairman, Legislative Committee



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# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** MOTOR VEHICLE, Flat rate weight tax for disabled veterans

**BILL NUMBER:** HB 564

**INTRODUCED BY:** Har, Cabanilla, Coffman, Cullen, Hashem, Ichiyama, Ito, Jordan, Kawakami, Oshiro, Say, Takai, Tsuji, Yamane, Yamashita and 1 Democrat

**BRIEF SUMMARY:** Amends HRS section 249-33 to provide that a permanently disabled veteran who is a Hawaii resident shall be assessed a flat rate motor vehicle weight tax. A vehicle weighing up to 10,000 pounds shall be subject to a flat rate of \$50 and a vehicle weighing over 10,000 pounds shall be subject to a state weight tax of \$100.

Defines “permanently disabled veteran” for purposes of the measure.

**EFFECTIVE DATE:** July 1, 2013

**STAFF COMMENTS:** The legislature by Act 141, SLH 2008, exempted from the motor vehicle weight taxes, one noncommercial motor vehicle owned by members of the national guard, reserves, active duty armed services, including the coast guard who are residents of Hawaii. This measure would allow residents who are disabled veterans to be charged a flat rate state motor vehicle weight tax of \$50 or \$100 depending on the weight of the motor vehicle. The state motor vehicle weight tax is based on the weight of a vehicle and is 1.75 cents per pound for vehicles weighing up to 4,000 pounds, 2.00 cents a pound for vehicles weighing over 4,000 pounds to 7,000 pounds, 2.25 cents a pound for vehicles weighing over 7,000 to 10,000 pounds and \$300 for vehicles weighing over 10,000 pounds. A typical SUV weighing around 4,000 pounds would be subject to the state motor vehicle weight tax of \$70.00.

Inasmuch as the motor vehicle weight tax and registration fees are user charges designed to recover the cost of construction and maintenance of Hawaii’s highway system, there is little justification for the preferential treatment of this select group of taxpayers. It should be remembered that all motorists use the state highways and should, therefore, lend a hand in paying for good and safe roads. Note well, that any preferential treatment granted to a select group of users requires that the lost revenues be made up by those who must continue to pay. Motorists who will have to pick up the additional costs created by this proposed measure should hold those who would propose such an measure responsible for raising their motor vehicle taxes. Lawmakers need to remember a car is a car regardless of its owner.

There is no indication that this select group of motorists is in need of relief from the state motor vehicle weight tax and, therefore, there is no justification for this proposal. Administrators, as well as lawmakers, need to separate the two issues and look at the fact that they are in office to insure the efficient operation of state government that provides services to those who pay for those services. Thus, politically motivated preferences, as this measure proposes, are fiscally irresponsible especially where there is no indication of need for tax relief.

Digested 2/5/13