



**Testimony to the Senate Committees on Judiciary and Labor and Ways and Means
Wednesday, February 20, 2013
9:30 a.m.
State Capitol - Conference Room 016**

RE: SENATE BILL NO. 1272 RELATING TO EMPLOYMENT SECURITY

Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani, and members of the committees:

The Chamber of Commerce of Hawaii ("The Chamber") truly appreciates the committees for scheduling this measure. We strongly **support SB 1272 relating to Employment Security with an amendment.**

The Chamber supports legislation that will mitigate the tax increase of an additional average of \$150 per employee due to take place under the current law (Schedule G), which will help businesses recover during this slow growth period and provide stability and certainty during these uncertain times.

We respectfully ask the committees to amend SECTION 3, to read:

This Act shall take effect upon its approval and shall apply retroactively to January 1, 2013.

State data supports keeping the unemployment tax rate schedule at the "F" level for 2013. The Unemployment Fund has recovered far quicker than original projections. Risk of insolvency in the fund is limited unless a catastrophic or major event occurs, and the velocity of fund replenishment appears positive.

In keeping the tax rate the same, local businesses can use the funds to hire and grow their businesses. In addition, this will keep more money in the economy, which will then be spent and generate increased tax revenues for the State.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

We urge the Committee to pass SB 1272. Thank you very much for the opportunity to testify and for your hard work in coming up with legislation that is important to employers, employees, and the economy, as well as for your efforts in expediting a bill.



Senator Clayton Hee, Chair
Senator Maile S. L. Shimabukuro, Vice Chair
Committee on Judiciary and Labor

Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair
Committee on Ways and Means

HEARING Wednesday, February 20, 2013
 9:30 am
 Conference Room 016
 State Capitol, Honolulu, HI

RE **SB1272, Relating to Employment Security**

Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani, and Members of the Committees:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

RMH strongly supports SB1272, which sets, for calendar year 2013, the employer contribution rate at schedule F.

The retail industry has experienced slow but steady growth over the past year or so, with existing companies opening new locations and new retailers entering the marketplace. New jobs at all levels are being created. But there are still hundreds of small retailers hovering on the edge of survival. This tax relief most assuredly will provide greater stability and an unexpected and welcome resource at this critical time.

Our economy remains vulnerable. Our focus should be on stabilizing our businesses so as to enable increasing employment and hastening recovery.

We urge your passing SB1272. Thank you for your consideration and for the opportunity to comment on this measure.

Carol Pregill, President



February 19, 2013

Chair Clayton Hee
Senate Committee on Judiciary and Labor
Chair David Ige
Senate Committee on Ways and Means
Conference Room 016
State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: SB 1272 RELATING TO EMPLOYMENT SECURITY

Dear Chair Hee, Chair Ige and Judiciary and Labor and Ways and Means Committee members,

HANO is a statewide, sector-wide alliance of nonprofit organizations working to strengthen and unite Hawaii's nonprofit sector as a collective force to improve the quality of life in Hawai'i. HANO members provide essential services to every community in the state.

HANO supports the provisions of SB 1272, which keeps the unemployment tax rate at Schedule F for the calendar year of 2013. Maintaining Schedule F prevents a move to a tax rate of Schedule G, which increases unemployment costs to a projected \$150/employee.

Nonprofit organizations are employers too, dealing with the same rising costs of doing business as for-profit companies. In this protracted down economy, it has been a struggle for many nonprofits to stay afloat and ensure the level and quality of valuable services they provide to the community.

An extension of schedule "F" through 2013 would provide extended relief to all businesses to see us through a lingering down economy.

Thank you for the opportunity to submit written testimony.

Lisa Maruyama
President and CEO



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

DATE: February 20, 2013 TIME: 9:30 A.M PLACE: CR 016

TO: COMMITTEE ON JUDICIARY AND LABOR AND WAYS AND MEANS

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

Re: SB 1272 RELATING TO EMPLOYMENT SECURITY

In Support.

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

We strongly **support SB 1272 relating to Employment Security with an amendment.**

The HFIA supports legislation that will mitigate the tax increase of an additional average of \$150 per employee due to take place under the current law (Schedule G), which will help businesses recover during this slow growth period and provide stability and certainty during these uncertain times.

We respectfully ask the committees to amend SECTION 3, to read:

This Act shall take effect upon its approval and shall apply retroactively to January 1, 2013.

State data supports keeping the unemployment tax rate schedule at the "F" level for 2013. The Unemployment Fund has recovered far quicker than original projections. Risk of insolvency in the fund is limited unless a catastrophic or major event occurs, and the velocity of fund replenishment appears positive.

By slowing the fund replenishment, local businesses can use the funds to hire and grow their businesses. Mitigation of a tax increase will keep more money in the economy, which will then be spent and generate increased tax revenues for the State.

Therefore, we urge the Committee to pass SB 1272. Thank you very much for the opportunity to testify and for your hard work in coming up with legislation that is important to employers, employees, and the economy, as well as for your efforts in expediting a bill.