

TAXBILLSERVICE

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SUBJECT: MOTOR VEHICLE, Exempt motor vehicle registration for disabled veterans

BILL NUMBER: SB 343; HB 1153 (Identical)

INTRODUCED BY: SB by Gabbard, Espero, Inouye, Shimabukuro and 3 Democrats; HB by Aquino, Cullen, Har, Johanson, LoPresti, Takumi, Yamane, Yamashita and 1 Democrat

BRIEF SUMMARY: Adds a new section to HRS chapter 249 to provide that any totally and permanently disabled veteran who is: (1) a resident of Hawaii; (2) other than dishonorably discharged from the U.S. uniformed armed forces; (3) determined by the U.S. Department of Veterans Affairs to have a service-connected 100% disability rating for compensation or a service-connected disability rating of 100%; (4) determined by the U.S. Department of Veterans Affairs as having an annual income of not more than _____; and (5) in receipt of disability retirement pay from any branch of the uniformed armed forces, shall not be required to pay any state motor vehicle registration fees provided the exemption shall not extend to vehicles used for commercial purposes, nor to more than one vehicle of the disabled veteran.

EFFECTIVE DATE: Upon approval; applicable to motor vehicle registrations occurring on or after September 1, 2015

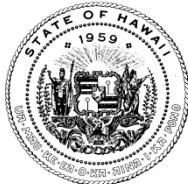
STAFF COMMENTS: This measure proposes to exempt one noncommercial motor vehicle owned by disabled veterans who are residents of the state from the state motor vehicle registration fee. The legislature by Act 141, SLH 2008, exempted from the motor vehicle weight taxes, one noncommercial motor vehicle owned by members of the national guard, reserves, active duty armed services, including the coast guard, who are residents of Hawaii.

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. 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 exemption 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 exemption should hold those who would propose such an exemption responsible for raising their taxes.

Exemptions based solely on physical condition or age have no place in the tax law and represent poor tax policy. So while the exemption would provide relief to a disabled veteran, a single mom making minimum wage, barely making ends meet, must continue to pay these fees. As such, this proposal cannot be justified. Given that this proposal has been continually introduced, it is hard to imagine that lawmakers have not asked the question as to why they believe that a disabled veteran is financially incapable of paying his or her fair share to maintain the state's highways.

Digested 2/6/15

DAVID Y. IGE
GOVERNOR



Testimony of
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 26, 2015
1:00 p.m.
State Capitol, Room 211

S.B. 343
RELATING TO VETERANS

Senate Committee on Ways and Means

The Department of Transportation (DOT) has no position on this bill, and although the DOT appreciates veterans and respectfully recognizes the merits to reward their sacrifices for duty, honor and country any proposed decrease would have a negative impact on the health of the State Highway Fund.

This exemption for the state motor vehicle registration fee will reduce the revenues deposited into the State Highway Fund, which is a major source of revenue deposited into the State Highway Fund.

Thank you for the opportunity to provide testimony.

STATE OF HAWAII
DEPARTMENT OF DEFENSE
TESTIMONY ON SENATE BILL 343, RELATING TO VETERANS
PRESENTATION TO THE
COMMITTEE ON WAYS AND MEANS

BY

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

FEBRUARY 26, 2015

Aloha Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

I'm Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to provide testimony in support of the concept of Senate Bill 343 which exempts qualifying totally and permanently Disabled Veterans who are 100% Veterans Affairs Rated from paying the State motor vehicle registration fee. It also requires the Office of Veterans Services to report the number of qualifying Veterans to the Legislature and Department of Taxation.

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 Budget.

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

SB343

Submitted on: 2/24/2015

Testimony for WAM on Feb 26, 2015 13:00PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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SB436

Submitted on: 2/25/2015

Testimony for WAM on Feb 26, 2015 13:00PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shane Nelsen	Individual	Support	No

Comments: Aloha, This measure will enhance and allow for a well informed decision making process that will bring continuity to the general public and the Native Hawaiian community. mahalo....

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TESTIMONY RE SB343

Madan Chairwoman Tokuda, Vice Chairman Kouchi, Members of the Committee:

Thank you for allowing me to testify in support of the bill being heard by this Committee today .

Since 2008, efforts to get approval for a full exemption of the Annual Vehicle Registration fees have survived the scrutiny of all Committees having cognizance over this particular bill by an almost unanimous vote, but have failed to get it passed!

Most of the States across the country have already provided this full exemption to the permanently disabled Veterans residing in their states. I do not believe that the State of Hawaii wants to be known as the only state that declares they cannot afford to lose the revenue that this exemption would cause!

If any group of residents of Hawaii deserve this exemption, it is those Veterans who are permanently disabled as a result of their service in our Armed Forces.

All the facts and figures regarding the impact of this exemption are finally available. Last year's disapproval was based on an unrealistically high figure representing lost revenue. In actuality, the undeterminable estimate of the impact is about half the figure which was provided the Finance Committees last year.

It is respectfully requested that this small group of permanently disabled Veterans be granted this full exemption during this session of the Legislature.

Very respectfully & Mahalo nui loa,

Brooks W. Outland, Senior Chief U.S. Navy(Ret) 87-1057 Huamoa Street,
Waianae, HI 96792 Ph. (808) 744-2945.