

Honolulu, Hawaii

MAR 28 2018

RE: S.C.R. No. 158

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Economic Development, Tourism, and Technology and Government Operations, to which was referred S.C.R. No. 158 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR AND LEGISLATURE TO CONVENE A JOINT TASK FORCE TO IDENTIFY AND EXAMINE POTENTIAL SOURCES OF INCREASED REVENUE AND MEASURES TO REDUCE STATE COSTS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Request the Governor and Legislature to convene a joint task force to identify ways to:
 - (A) Collect uncollected revenues;
 - (B) Generate revenue by enacting tax measures that have minimal impact on families with low- and moderate-incomes; and
 - (C) Reduce costs by re-describing positions and eliminating unnecessary vacancies in various state departments and agencies;
- (2) Request the Governor to share the Governor's six-year financial plan with the Legislature no later than twenty days prior to the convening of each regular session; and



- (3) Encourage the joint task force to meet every fiscal quarter to review and update the financial plan as necessary.

Your Committees received testimony in support of this measure from the Department of Budget and Finance. Your Committees received comments on this measure from the Department of Taxation and one individual.

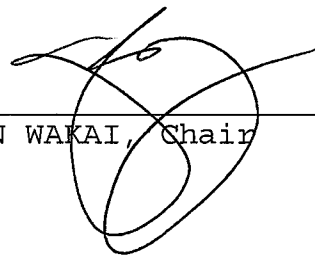
Your Committees find that the State is not collecting the full amount of revenue owed from sources such as the transient accommodations tax from illegal transient vacation rentals, hotel resort fees, and online transient accommodation intermediaries. Your Committees further find that several measures have been proposed for consideration this regular session that would enforce or clarify existing tax laws, or increase revenue generated from various sources, to create financial stability. However, prior to enacting these measures, your Committees feel that more collaborative work between the Legislature and the Executive Branch would better identify areas where the State can generate more revenue and make the State more efficient. Your Committees believe that a joint task force to address these issues is imperative to thoroughly examine the options, share information and ideas, and make fiscally prudent decisions for the State's future.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 158 and recommend that it be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development, Tourism, and
Technology and Government
Operations,



DONNA MERCADO KIM, Chair



GLENN WAKAI, Chair



