

SCR 158

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.

MAR 09 2018

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.

1 WHEREAS, it is critical for the State to have a stable
2 financial plan for current and future fiscal years; and

3
4 WHEREAS, the State continues to rely on budgeted
5 carryovers, federal reimbursements, and restrictions on
6 discretionary funds to balance the state budget; and

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8 WHEREAS, there needs to be more emphasis on state funding
9 of government programs; and

10
11 WHEREAS, the State is currently not collecting revenue from
12 potential revenue sources, such as:

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14 (1) Transient accommodations taxes and general excise
15 taxes from illegal transient vacation rentals;

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17 (2) Transient accommodations taxes from hotel resort fees;
18 and

19
20 (3) Transient accommodations taxes from online transient
21 accommodation intermediaries; and

22
23 WHEREAS, the State should consider increasing revenue
24 generated from various sources, such as:

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26 (1) Increasing the conveyance tax rates for residential
27 investment properties with a value of at least
28 \$2,000,000;

29
30 (2) Increasing the taxes withheld on the amount realized
31 by nonresidents from the disposition of the State's
32 real property from five to nine percent; and



1
2 (3) Amending the formula for the amount of transient
3 accommodations tax to be collected from time shares by
4 increasing the base amount on which time share
5 occupancy is taxed from the existing formula of one-
6 half of the gross daily maintenance fees paid by the
7 owner and are attributable to the time share unit;
8 now, therefore,
9

10 BE IT RESOLVED by the Senate of the Twenty-ninth
11 Legislature of the State of Hawaii, Regular Session of 2018, the
12 House of Representatives concurring, that the Governor and
13 Legislature are requested to convene a joint task force to
14 identify ways to:

- 15 (1) Collect uncollected revenues;
16
17 (2) Generate revenue by enacting tax measures that have
18 minimal impact on families with low- and moderate-
19 incomes; and
20
21 (3) Reduce costs by re-describing positions and
22 eliminating unnecessary vacancies in various state
23 departments and agencies; and
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25

26 BE IT FURTHER RESOLVED that the task force be composed of:

- 27 (1) The Chair of the Senate Committee on Ways and Means or
28 the Chair's designee;
29
30 (2) The Chair of the House of Representatives Committee on
31 Finance or the Chair's designee; and
32
33 (3) A representative from the Office of the Governor,
34 designated by the Governor; and
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37 BE IT FURTHER RESOLVED that the Governor is requested to
38 share the Governor's six-year financial plan with the
39 Legislature no later than twenty days prior to the convening of
40 each regular session; and
41

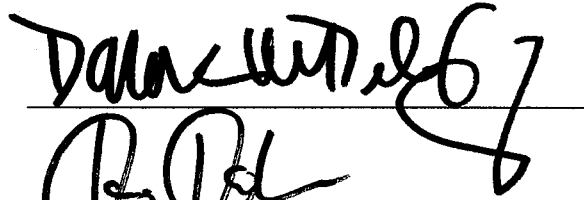


S.C.R. NO. 158

1 BE IT FURTHER RESOLVED that the joint task force is
2 strongly encouraged to meet every fiscal quarter to review and
3 update the financial plan as necessary; and
4

5 BE IT FURTHER RESOLVED that certified copies of this
6 Concurrent Resolution be transmitted to the Governor, President
7 of the Senate, and Speaker of the House of Representatives.
8
9
10

OFFERED BY:



Clarence W. Bushman



Michelle Sudani



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TESTIMONY



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To: The Honorable Aaron Ling Johanson, Chair
and Members of the House Committee on Labor & Public Employment

Date: Thursday, April 12, 2018
Time: 11:30 A.M.
Place: Conference Room 309, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.C.R. 158, 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

The Department of Taxation (Department) appreciates the intent of S.C.R. 158 and offers the following comments for the committee's consideration.

S.C.R. 158 requests the Governor and Legislature to convene a task force to identify and examine potential sources of revenue and ways to reduce the state's costs. The measure identifies several potential sources of increased revenue, including:

- Ensuring the taxation of illegal transient accommodations;
- Ensuring the taxation of resort fees;
- Increasing the base of the transient accommodations tax on time shares occupied by the owner;
- Ensuring transient accommodations taxes are due from online transient accommodations intermediaries;
- Increasing the conveyance tax on high value properties; and
- Increasing the withholding on sales of real property by nonresidents.

S.C.R. 158 requires the task force be composed of the Chair of the Senate Committee on Ways and Means or the Chair's designee, the Chair of the House Committee on Finance or the Chair's designee, and a representative from the Governor's office. The measure encourages the task force to meet each quarter. The measure also instructs the task force to study ways to reduce the state's costs.

Finally, S.C.R. 158 requests the Governor to share the Governor's six-year financial plan

with the Legislature no later than twenty days prior to the convening of the regular session.

The Department appreciates the intent of this measure and is willing and able to participate in or assist the task force in any way necessary. Thank you for the opportunity to provide comments.

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