

STAND. COM. REP. NO.

1961

Honolulu, Hawaii

APR 21 2025

RE: H.C.R. No. 182

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred
H.C.R. No. 182 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THAT THE TAX REVIEW
COMMISSION CONSIDER CERTAIN GOALS FOR AN EQUITABLE,
EFFICIENT, AND ADEQUATE TAX POLICY STRUCTURE IN ITS
DELIBERATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to request that the
Tax Review Commission consider certain goals for an equitable,
efficient, and adequate tax policy structure in its deliberations.

More specifically, this measure requests that the Tax Review
Commission consider the following goals for an equitable,
efficient, and adequate tax policy structure:

- (1) State and local tax policy that maximizes benefit to
Hawaii taxpayers when considering provisions of the
federal Internal Revenue Code;
- (2) Weighing the impact of federal policies and activity on
Hawaii taxpayers;
- (3) Ensuring non-residents and visitors contribute fairly
while minimizing impacts on residents;



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- (4) Gauging the effectiveness and appropriateness of all tax credits and exemptions pursuant to Hawaii law;
- (5) Evaluating the positive or negative features and impacts of one-time versus recurring tax revenue sources; and
- (6) Evaluating factors that affect revenue generation and the cost and effectiveness of enforcement activities.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and Hawaii Food Industry Association.

Your Committee finds that under Article VII, Section 3, of the Constitution of the State of Hawaii, the Tax Review Commission is required to submit to the Legislature an evaluation of the State's tax structure and recommend revenue and tax policy. Your Committee also finds that, in previous years, the Tax Review Commission has been guided by three primary principles of sound tax policy that include equity, efficiency, and adequacy where:

- (1) Equity is a measurement of how tax burdens are distributed;
- (2) Efficiency is a measure of the transaction costs of the tax system; and
- (3) Adequacy is the ability of the tax system to produce enough revenue to fund government spending.

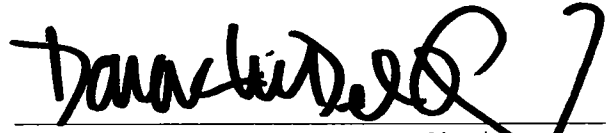
Accordingly, your Committee finds that this review will help to ensure that the tax system remains responsive to the State's economic needs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 182, and recommends its adoption.



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Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HCR182	Committee Referral: WAM	Date: 4/15/2025												
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____														
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313														
Members	Aye	Aye (WR)	Nay	Excused										
DELA CRUZ, Donovan M. (C)	X													
MORIWAKI, Sharon Y. (VC)	X													
AQUINO, Henry J.C.	X													
DECOITE, Lynn	X													
ELEFANTE, Brandon J.C.	X													
HASHIMOTO, Troy N.	X													
INOUE, Lorraine R.	X													
KANUHA, Dru Mamo	X													
KIDANI, Michelle N.	X													
KIM, Donna Mercado	X													
LEE, Chris	X													
WAKAI, Glenn				X										
FEVELLA, Kurt	X													
TOTAL	12	0	0	1										
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted														
Chair's or Designee's Signature:														
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*Only one measure per Record of Votes