



**Testimony to the Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair**

**Tuesday, April 15, 2025, at 10:45AM  
Conference Room 211 & Videoconference**

**RE: HCR182 REQUESTING THAT THE TAX REVIEW COMMISSION CONSIDER CERTAIN  
GOALS FOR AN EQUITABLE, EFFICIENT, AND ADEQUATE TAX POLICY STRUCTURE IN  
ITS DELIBERATIONS.**

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber provides comments on the following House Concurrent Resolution 182 (HCR182) which requests that the Tax Review Commission consider certain goals for an equitable, efficient, and adequate tax policy structure in its deliberations.

The Hawaii State Constitution and state statutes assign the Tax Review Commission (TRC) the responsibility of conducting a systematic review of the state's tax structure and recommending policies based on the principles of equity, efficiency, and adequacy. These principles are defined as the fair distribution of tax burdens, the administrative efficiency of tax collection, and the ability to generate sufficient revenue to fund government operations. Historically, the TRC has produced research and recommendations that help lawmakers assess the effectiveness and fairness of the tax system in response to changing economic conditions and federal policy shifts. To fulfill this mandate, the Legislature urges the TRC to examine a broad range of tax policy issues, including how Hawaii can maximize alignment with the federal Internal Revenue Code, ensure that non-residents and visitors contribute fairly, and evaluate the impact and relevance of all existing tax credits and exemptions.

To strengthen the overall tax structure, the Committee should consider including the repeal or modification of outdated or inefficient provisions as part of the TRC's systematic review of the state's tax system. In support of this effort, we propose the following amendment:

**Page 2, line 22: (7) Analyzing the economic, fiscal, and operational impacts of repealing existing general excise tax and use tax exemptions, credits, or incentives.**

This comprehensive review will help ensure that Hawaii's tax system remains modern, equitable, and responsive to the state's evolving fiscal and economic landscape.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

Thank you for the opportunity to testify.



1050 Bishop St. PMB 235 |

Honolulu, HI 96813

P: 808-533-1292 | e:

[info@hawaiiifood.com](mailto:info@hawaiiifood.com)

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TO: Committee on Ways and Means

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: April 15, 2025

TIME: 10:45am

RE: HCR182 REQUESTING THAT THE TAX REVIEW COMMISSION CONSIDER CERTAIN GOALS FOR AN EQUITABLE, EFFICIENT, AND ADEQUATE TAX POLICY STRUCTURE IN ITS DELIBERATIONS.

Position: Support

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

HFIA is in support of this Resolution. We believe that being goal oriented with our tax systems will lead to improvements that benefit our state.

As this measure notes, one of the Tax Review Commissions guiding principles is Equity, "a measurement of how tax burdens are distributed."

Respectfully, in order to work towards a genuinely equitable system of taxation we would request that an additional goal be added to the list of goals, "Evaluating the impact of our current tax code on Hawaii residents of different income brackets, and ensuring that lower income tax payers are not disproportionately impacted by certain taxes."

We believe that including this goal within this measure will enable it to work cohesively with the following measure HCR183 and help ensure that it both achieve maximum positive impacts for our state.