



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
House Committee on Finance  
Monday, March 31, 2025, at 10:00 a.m.

By

Dr. Carl Bonham, Executive Director  
University of Hawai'i Economic Research Organization

Denise Konan, Dean  
College of Social Sciences

And

Laura E. Lyons  
Interim Vice Provost  
Office of the Vice Provost for Academic Excellence  
University of Hawai'i at Mānoa

HCR 183/HR 178 – REQUESTING THE DEPARTMENT OF TAXATION AND THE ECONOMIC RESEARCH ORGANIZATION AT THE UNIVERSITY OF HAWAII TO COLLABORATE AND DEVELOP DATA-DRIVEN ANALYSES OF THE IMPACTS OF TAX POLICIES ON ECONOMIC DEVELOPMENT, MIGRATION PATTERNS, AND OTHER FACTORS AFFECTING PUBLIC POLICY

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Carl Bonham, and I serve as the Executive Director of the University of Hawai'i Economic Research Organization (UHERO). I submit this testimony in strong support of HCR 183/HR 178.

UHERO is eager to expand our nascent collaboration with DoTAX to strengthen tax analysis in Hawai'i. With the right investments in analytical tools, research capacity, and data partnerships, we can work together to generate insights that support evidence-based policymaking. This resolution represents an important step toward enabling the kind of rigorous economic analysis our state urgently needs.

As Hawai'i confronts economic uncertainty, affordability challenges, and the pressing need to design equitable tax policy, the ability to analyze tax data is critical. UHERO's partnership with DoTAX has already begun to show the promise of this approach. With appropriate resources and governance structures, we can produce timely, high-quality analyses on issues such as:

- How tax policy affects the cost of living and migration patterns;
- The effectiveness and accessibility of tax credits and exemptions;
- The impact of taxation on affordable housing and economic mobility;
- Strategies to ensure non-residents and visitors contribute fairly to shared costs.

Strengthening the state's data-sharing infrastructure is essential for advancing evidence-based policymaking and improving economic analysis. HCR 183/HR 178 helps to advance a solution by formalizing the research collaboration between UHERO and DoTAX, thereby enabling data-informed policies that are fair, effective, and transparent.

UHERO operates as a public-private partnership, using limited state investment to attract significant external funding. Our goal is not only to provide policymakers with the tools for sound decision-making but to do so in a way that is cost-effective and responsive to the evolving needs of the state.

We strongly support HCR 183/HR 178 and look forward to continuing our collaboration with DoTAX and other partners to address Hawai'i's most pressing fiscal and social challenges.

Thank you for the opportunity to submit testimony.

**JOSH GREEN M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**GARY S. SUGANUMA**  
DIRECTOR

**KRISTEN M.R. SAKAMOTO**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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**TESTIMONY OF**  
**GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.C.R. No. 183, Requesting the Department of Taxation and the Economic Research Organization at the University of Hawaii to Collaborate and Develop Data Driven Analyses of the Impacts of Tax Policies on Economic Development, Migration Patterns, and Other Factors Affecting Public Policy.

**BEFORE THE:**

House Committee on Finance

**DATE:** Monday, March 31, 2025  
**TIME:** 10:00 a.m.  
**LOCATION:** State Capitol, Room 308

Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments on H.C.R. 183 for your consideration.

H.C.R. 183 requests DOTAX collaborate with the Economic Research Organization at the University of Hawaii (UHERO) and "any other agency or organization" to:

- 1) analyze the impact of state and local and federal tax policies on the of living, affordable housing, migration flows, and economic development opportunities;
- 2) use tax data to analyze how policies shape population and workforce movements;
- 3) develop targeted policies that reduce burdens on low and moderate-income households;

- 4) evaluate strategies to ensure non-residents and visitors contribute fairly while minimizing impacts on residents;
- 5) identify barriers preventing eligible residents from claiming tax credits; and
- 6) determine the efficiency and efficacy of tax credits and tax exemptions.

DOTAX notes that any tax data provided to UHERO or any other collaborating agencies would remain subject to confidentiality protections. Collaboration on the development of tax policies and strategies would be limited to the provision of tax data and information on DOTAX's administration of state taxes. Policies proposed or developed with this information would also not necessarily be endorsed by DOTAX.

Thank you for the opportunity to provide comments on this resolution.



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March 28, 2025

TO: Representative Kyle T. Yamashita, Chair  
Representative Jenna Takenouchi, Vice Chair  
Members of the House Committee on Finance

FR: Michael Iosua, State Director  
NFIB, Hawaii Chapter

RE: **SUPPORT** OF HCR 183/HR 178 – REQUESTING THE DEPARTMENT OF TAXATION AND THE ECONOMIC RESEARCH ORGANIZATION AT THE UNIVERSITY OF HAWAII TO COLLABORATE AND DEVELOP DATA DRIVEN ANALYSES OF THE IMPACTS OF TAX POLICIES ON ECONOMIC DEVELOPMENT, MIGRATION PATTERNS, AND OTHER FACTORS AFFECTING PUBLIC POLICY

Hearing date: March 31, 2025, at 10:00 AM

Aloha Chair Yamashita, Vice Chair Takenouchi and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NFIB's Hawaii Chapter in **SUPPORT** of HCR 183/HR 178 – REQUESTING THE DEPARTMENT OF TAXATION AND THE ECONOMIC RESEARCH ORGANIZATION AT THE UNIVERSITY OF HAWAII TO COLLABORATE AND DEVELOP DATA DRIVEN ANALYSES OF THE IMPACTS OF TAX POLICIES ON ECONOMIC DEVELOPMENT, MIGRATION PATTERNS, AND OTHER FACTORS AFFECTING PUBLIC POLICY. NFIB is a nonprofit, nonpartisan, and member-driven organization exclusively dedicated to small and independent businesses. With members in all four counties, NFIB's Hawaii chapter advocates on issues that affect Hawaii's small and independent business owners.

Hawaii's tax system plays a critical role in shaping economic opportunities and ensuring the well-being of Hawaii's residents and businesses. HCR 183/HR 178 calls for collaboration between the DOTax and UHERO to analyze how tax policy impacts economic development and migration patterns.

Hawaii's small businesses depend on a stable, local workforce to survive and grow. In recent years, we've watched with concern as more of Hawaii's residents—especially younger, skilled

workers—leave the islands for opportunities on the mainland. While the reasons for outmigration are complex, it's clear that Hawaii's high cost of living, including tax burdens, plays a major role.

With more detailed tax data, UHERO would be able to provide precise, data-driven research into how our tax policies affect the economic realities of residents and businesses alike. Such information is critical to create policies that not only generate revenue, but also keep our local families rooted here.

Fairness and smart tax policy is crucial if Hawaii wants to retain its workforce and grow a sustainable economy – we need to sustain working families and local employers—not drive them away. HCR 183/HR 178 takes a practical step toward that goal by creating data-driven recommendations for sound policy.

For these reasons, I strongly encourage the committee to pass this resolution. Mahalo for your consideration.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii  
The House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association

March 31, 2025

H.C.R. 183/H.R. 178 — REQUESTING THE DEPARTMENT OF TAXATION AND THE ECONOMIC RESEARCH ORGANIZATION AT THE UNIVERSITY OF HAWAII TO COLLABORATE AND DEVELOP DATA DRIVEN ANALYSES OF THE IMPACTS OF TAX POLICIES ON ECONOMIC DEVELOPMENT, MIGRATION PATTERNS, AND OTHER FACTORS AFFECTING PUBLIC POLICY.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports H.C.R. 183/H.R. 178, which request the Department of Taxation and the Economic Research Organization at the University of Hawaii (UHERO) to collaborate and develop data driven analyses of the impacts of tax policies on economic development, migration patterns, and other factors affecting public policy.

We appreciate the intent of this resolution as it requests the State Department of Taxation and the UHERO to collaborate and study the impacts of tax policies. Given the increase concern in economic uncertainty and the shifting in federal policies, their needs to be a balance between taxing our residents/non-residents efficiently and equitably and ensuring that our state receives enough revenue so that government services are adequately funded and staffed to meet the needs of the public.

Thank you for the opportunity to provide testimony in support of H.C.R. 183/H.R. 178.

Respectfully submitted,

Randy Perreira  
Executive Director



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#### **Executive Officers**

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**Joe Carter**, Coca-Cola Bottling of Hawaii, *Advisor*  
**Eddie Asato**, Pint Size Hawaii, *Advisor*  
**Gary Okimoto**, Safeway, *Immediate Past Chair*

TO: Committee on Finance

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: March 31, 2025

TIME: 10am

RE: HCR183 REQUESTING THE DEPARTMENT OF TAXATION AND THE ECONOMIC RESEARCH ORGANIZATION AT THE UNIVERSITY OF HAWAII TO COLLABORATE AND DEVELOP DATA DRIVEN ANALYSES OF THE IMPACTS OF TAX POLICIES ON ECONOMIC DEVELOPMENT, MIGRATION PATTERNS, AND OTHER FACTORS AFFECTING PUBLIC POLICY.

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 measure. Hawaii has one of the highest tax burdens for businesses in the nation. While our tax burden for individuals is not as extreme, Hawaii residents are subject to taxes that the vast majority of other Americans do not pay, such as taxes when purchasing groceries.

Anecdotally most of us can name both individuals and businesses that have left the state due to the high tax burden and high cost of living. Having data to show real numbers will enable us to understand how our tax burden impacts our residents and effects things like economic development, immigration, and workforce. We believe that in conjunction with the previous measure HCR182 this will generate actionable information that will enable the legislature to improve our tax systems for the benefit of our State.