



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

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

Testimony Presented Before the  
Senate Committee on Ways and Means  
Tuesday, April 15, 2025 at 10:45 a.m.

By

Laura E. Lyons

Interim Vice Provost

Office of the Vice Provost for Academic Excellence

And

Denise Konan, Dean

College of Social Sciences

And

Dr. Carl Bonham, Executive Director

University of Hawai'i Economic Research Organization

University of Hawai'i at Mānoa

HCR 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

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

We submit this testimony in strong support of HCR 183.

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 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 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



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**DEPARTMENT OF TAXATION**

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**GARY S. SUGANUMA**  
DIRECTOR

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DEPUTY DIRECTOR

**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:**

Senate Committee on Ways and Means

**DATE:** Tuesday, April 15, 2025  
**TIME:** 10:45 a.m.  
**LOCATION:** State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, 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 Hawai'i (UHERO) and "any other agency or organization" to:

- 1) analyze the impact of state, local, and federal tax policies on the cost 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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#### **Executive Officers**

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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: 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.

We believe that in order to ensure maximum positive impact for our tax payers the measure could be amended to also include the following:

“7) Analyze all state spending and provide recommendations for elimination and/or reduction in state taxpayer spending on programs that do not provide a demonstrable return of investment for taxpayers exceeding the amount of tax dollars spent.”

We believe this amendment will help provide information that enables the state to work towards the most equitable and efficient system for all Hawaii residents. Thank you for the opportunity to testify.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
IN SUPPORT OF HCR183**

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

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

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

The Hawai'i Renewable Fuels Coalition (HRFC) supports HCR183, which calls for enhanced collaboration between the Department of Taxation (DoTAX) and the University of Hawai'i Economic Research Organization (UHERO) to evaluate tax policy impacts using data-driven, rigorous economic analysis.

**Why HCR183 Matters for Hawai'i's Renewable Energy Future**

Although this resolution is broad in its economic scope, HRFC sees great potential in how improved tax policy analysis can benefit Hawai'i's clean energy and renewable fuels sectors. Specifically, the types of analyses encouraged by HCR183 can help:

- Evaluate and design effective incentives for clean energy production and use, such as tax credits for renewable fuels, sustainable aviation fuel (SAF), and agricultural inputs for bioenergy feedstocks.
- Assess the equity and efficiency of tax incentives, with an eye toward enticing new business and growing an industry that supports local agriculture and local business development.
- Quantify the broader economic impact of renewable energy-related tax policies on job creation, rural revitalization, and environmental co-benefits.

- Support migration and workforce planning, which is critical as Hawai'i attracts and retains talent in emerging clean energy industries.

### Supporting Evidence-Based Policy

HRFC strongly supports building the state's capacity to use tax and economic data to shape more responsive, equitable, and effective policies. As stakeholders in an industry dependent on clear, stable policy frameworks, we welcome efforts to improve transparency and data-informed decision-making.

By enabling a deeper understanding of how tax policy influences economic behavior, from clean energy investments to resident retention, this resolution can contribute to building a more resilient, diversified, and sustainable economy.

HCR183 represents a forward-thinking commitment to smart governance. As Hawai'i continues its transition toward a clean energy future, the ability to assess tax policy impacts through robust data and analysis will be indispensable. The Hawai'i Renewable Fuels Coalition stands ready to support this effort and contribute insights from the renewable fuels sector.

Mahalo for the opportunity to testify in support of HCR183.

Nahelani Parsons  
**Executive Director**  
**Hawai'i Renewable Fuels Coalition**