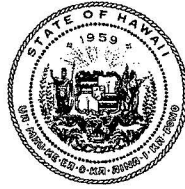


LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

STANLEY SHIRAKI
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

**HOUSE COMMITTEE ON FINANCE
TESTIMONY REGARDING HB 2876
RELATING TO TAXATION**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 17, 2010

TIME: 4:30PM

ROOM: 308

This measure temporarily increases the general excise tax from four percent to five percent from July 1, 2010 until June 30, 2015. The measure also temporarily increase the capital goods excise tax credit from four percent to five percent for the same period. The refundable food/excise tax credit is also increased by ten dollars per exemption for the same period.

The Department of Taxation (Department) **opposes the tax increase** contained in this measure and recommends that this measure be held.

A TAX INCREASE—The Department opposes this tax increase. The Department does not support tax increases, especially increases that will simply increase the costs to consumers at a time when taxpayers cannot afford such increases. While the Department appreciates the increase in the food/excise tax credit to offset the impact on low-income persons, the Department does not support a tax increase in these current economic times and is concerned about the impact on the middle-class taxpayer.

REVENUE IMPACT – This bill would increase general fund revenues by approximately \$458 million for fiscal year 2011, and \$488 million for fiscal years 2012 through fiscal year 2015.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 17, 2010 7:43 AM
To: FINTestimony
Cc: sandy@meoinc.org
Subject: Testimony for HB2876 on 2/17/2010 4:30:00 PM

Testimony for FIN 2/17/2010 4:30:00 PM HB2876

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Sandy Baz
Organization: Maui Economic Opportunity, Inc.
Address: 99 Mahalani St Wailuku
Phone: 808-249-2990
E-mail: sandy@meoinc.org
Submitted on: 2/17/2010

Comments:

Change the \$10 per exemption credit to a outright exemption on food, medical and drug and it'll be great!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 16, 2010 6:45 PM
To: FINTestimony
Cc: hawaiiistar808@yahoo.com
Subject: Testimony for HB2876 on 2/17/2010 4:30:00 PM

Testimony for FIN 2/17/2010 4:30:00 PM HB2876

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: T.D.
Organization: Individual
Address:
Phone:
E-mail: hawaiiistar808@yahoo.com
Submitted on: 2/16/2010

Comments:

I am an HGEA member and DO NOT support a tax increase. We need review spending and programs and be creative in solving this fiscal crisis. This is also not the way to solve DOE furloughs. Spending must be examined and adjusted. Thank you for your time.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 17, 2010 2:54 PM
To: FINTestimony
Cc: jshitanaka@hotmail.com
Subject: Testimony for HB2876 on 2/17/2010 4:30:00 PM

Testimony for FIN 2/17/2010 4:30:00 PM HB2876

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: janice shitanaka
Organization: Individual
Address: 2550 apapane street lihue, HI
Phone: 808-651-9541
E-mail: jshitanaka@hotmail.com
Submitted on: 2/17/2010

Comments:

Yes, I agree to increase in excise tax of 5% for the non-welfare population. I also think that the welfare population should be charged at least a nominal (2%) percentage to learn to be responsible contributing members of society as welfare recipients are receiving "tax-free" monies from the rest of society. We need to help them become self-sufficient from welfare dependency. Thank you very much.

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GOVERNOR

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HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

**HOUSE COMMITTEE ON FINANCE
TESTIMONY REGARDING HB 2880
RELATING TO TAXATION**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)
DATE: FEBRUARY 17, 2010
TIME: 4:30PM
ROOM: 308

This measure temporarily increases the one-half percent general excise, use, and public service company tax rate to one percent from July 1, 2010 until June 30, 2015.

The Department of Taxation (Department) **opposes the tax increase** contained in this measure and recommends that this measure be held.

A TAX INCREASE—The Department opposes this tax increase. The Department does not support tax increases, especially increases that will simply increase the costs to businesses and consumers at a time when taxpayers cannot afford such increases. This bill increases the pyramiding nature of the general excise tax that is imposed at every step in the delivery of goods and services to the ultimate consumers.

REVENUE IMPACT – This bill would increase general fund revenues by approximately \$106.9 million per year from fiscal year 2011 until fiscal year 2015.