
A BILL FOR AN ACT

RELATING TO THE PROGRESSIVE TAX REFORM TASK FORCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii's income tax
2 rates conform to a progressive structure. However, once certain
3 high income favoring tax breaks are factored in, the resulting
4 tax structure is skewed to favor those with the greatest ability
5 to pay.

6 The legislature finds that this regressive tax structure
7 unfairly burdens those individuals with the least ability to pay
8 by taxing them at a significantly higher percentage of their
9 total annual income than those with the greatest ability to pay.

10 The legislature also finds that it is committed to resolve
11 budgetary and tax challenges with the goal of a fair and
12 progressive tax structure, so that those with the greatest means
13 contribute a fairer proportional share of the tax burden; and
14 when cuts are required, those most in need are spared.

15 The purpose of this Act is to establish a task force to
16 identify the steps needed to reform Hawaii's tax laws to create
17 a balanced and progressive tax structure.



1 SECTION 2. (a) There is established the progressive tax
2 reform task force within the department of taxation for
3 administrative purposes.

4 (b) The progressive tax reform task force shall consist of
5 the following members:

- 6 (1) Two members to be appointed by the governor;
7 (2) Two members of the senate, to be appointed by the
8 president of the senate;
9 (3) Two members of the house of representatives, to be
10 appointed by the speaker of the house of
11 representatives;
12 (4) The director of taxation or the director's designee;
13 (5) One member from the Legal Aid Society of Hawaii; and
14 (6) One member from the Tax Foundation of Hawaii.

- 15 (c) The task force shall:
16 (1) Identify the steps needed to reform Hawaii's tax laws,
17 in order to create a more balanced and progressive tax
18 structure; and
19 (2) Become a permanent resource to assist the director of
20 taxation in creating a consistent, fair, and uniform
21 tax structure in Hawaii.



1 (d) The members of the task force shall select the
2 chairperson of the task force from among themselves. Members of
3 the task force shall serve without compensation but shall be
4 reimbursed for necessary expenses, including travel expenses,
5 incurred in the performance of their official duties.

6 (e) The task force shall submit a report of its findings
7 and recommendations to the legislature no later than twenty days
8 prior to the convening of the 2012 regular session.

9 SECTION 3. This Act shall take effect upon its approval.

10

INTRODUCED BY:

Clive H. Bay

BY REQUEST

JAN 25 2011



Report Title:

Progressive Tax Reform Task Force

Description:

Establishes a task force within the department of taxation to reform Hawaii's tax laws.

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