

MAR 03 2016

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## SENATE RESOLUTION

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REQUESTING THE TAX REVIEW COMMISSION TO EVALUATE INCOME TAX  
CREDITS, EXCLUSIONS, AND DEDUCTIONS.

1 WHEREAS, it is anticipated that a Tax Review Commission  
2 will be convened pursuant to article VII, section 3, of the  
3 Hawaii State Constitution; and  
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5 WHEREAS, the basic duties of the Tax Review Commission are  
6 to evaluate the State's tax structure and recommend revenue and  
7 tax policy; and  
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9 WHEREAS, the various credits, exclusions, and deductions  
10 under the state income tax law represent major components of the  
11 State's tax structure and tax policy; and  
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13 WHEREAS, the Legislature finds that the current income tax  
14 credits, exclusions, and deductions require evaluation to  
15 determine their tax expenditures, benefits, merit, and  
16 necessity; and  
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18 WHEREAS, the Legislature further finds that tax  
19 expenditures from the credits, exclusions, and deductions reduce  
20 revenues to the State; and  
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22 WHEREAS, the reduction of revenues requires ordinary  
23 taxpayers who do not benefit from the credits, exclusions, or  
24 deductions to compensate for the reduced revenues; and  
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26 WHEREAS, alternatively, funding for important state  
27 programs must be curtailed; and  
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29 WHEREAS, the Legislature further finds that good tax policy  
30 requires the equal treatment of similarly-situated taxpayers for  
31 the sake of equity and efficiency; and  
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33 WHEREAS, when certain taxpayers receive special benefits to  
34 the detriment of others, it may generate resentment that leads



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1 to the loss of the general public's confidence in fair treatment  
2 by the state government; and  
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4 WHEREAS, the Legislature, however, finds that certain tax  
5 credits, exclusions, and deductions are worthy of continuation  
6 for equity, efficiency, and economic and social policy; and  
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8 WHEREAS, thus, the Legislature finds that an independent,  
9 objective evaluation by experts of existing income tax credits,  
10 exclusions, and deductions is necessary to assist the  
11 Legislature in identifying those credits, exclusions, and  
12 deductions that should be retained, modified, or repealed; and  
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14 WHEREAS, the 2005-2007 Tax Review Commission reviewed  
15 certain general excise and use tax exemptions and deductions,  
16 and the results were immensely helpful to subsequent  
17 Legislatures; now, therefore,  
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19 BE IT RESOLVED by the Senate of the Twenty-eighth  
20 Legislature of the State of Hawaii, Regular Session of 2016,  
21 that the Tax Review Commission is requested to conduct or  
22 commission a study evaluating all or certain state income tax  
23 credits, exclusions, and deductions; and  
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25 BE IT FURTHER RESOLVED that, if all income tax credits,  
26 exclusions, and deductions cannot be evaluated because of  
27 resource or time constraints, the Tax Review Commission is  
28 requested to evaluate those that result in the most significant  
29 loss of state general fund revenues; and  
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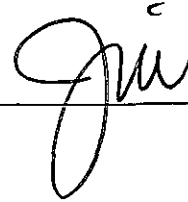
31 BE IT FURTHER RESOLVED that the Tax Review Commission is  
32 requested to submit its findings and recommendations to the  
33 Legislature and Governor, along with the Tax Review Commission's  
34 evaluation pursuant to article VII, section 3, of the Hawaii  
35 State Constitution; and  
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1 BE IT FURTHER RESOLVED that a certified copy of this  
2 Resolution be transmitted to Chairperson of the Tax Review  
3 Commission.  
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OFFERED BY: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'Jim', is written over a horizontal line.