

SB 684

RELATING TO VEHICULAR TAXES

Provides for a state vehicle weight tax for a vehicle registered to certain permanently totally disabled veterans of \$50 for a vehicle that has a net weight of ten thousand pounds or less, or \$100 for a vehicle that has a net weight of more than ten thousand pounds.

PSM/TRA, WAM

STATE OF HAWAII
DEPARTMENT OF DEFENSE
TESTIMONY ON SENATE BILL 684, RELATING TO VEHICULAR TAXES
PRESENTATION TO THE
COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY
AFFAIRS
COMMITTEE ON TRANSPORTATION

BY

MR. RONALD P. HAN
DIRECTOR OF STATE OFFICE OF VETERANS SERVICES

FEBRUARY 11, 2015

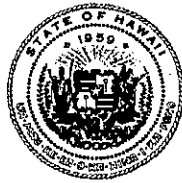
Aloha Chair Espero and Chair Nishihara, Vice Chair Baker and Vice Chair Harimoto, members of the respective committees:

I'm Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to provide testimony in support of the concept of Senate Bill 684 which provides for a state vehicle weight tax for a vehicle registered to a qualifying totally and permanently Disabled Veteran who is 100% Veterans Affairs rated of \$50 for a vehicle that has a net weight of ten thousand pounds or less, or \$100 for a vehicle that has a net weight of more than ten thousand pounds.

The OVS supports the intent of this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Budget.

Thank you for this opportunity to speak on behalf of Hawaii's Veteran community.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 12, 2015
2:30 p.m.
State Capitol, Room 229

S.B. 684
RELATING TO VEHICULAR TAXES

Senate Committee(s) on Public Safety, Intergovernmental & Military Affairs
and Transportation

The Department of Transportation (DOT) appreciates veterans and respectfully recognizes the merits to rewarding their sacrifices for duty, honor and country. .

This exemption for the state motor vehicle weight tax will reduce the revenues deposited into the State Highway Fund. The state vehicle weight tax is a major source of revenue deposited into the State Highway Fund. Any proposed decrease would have a negative impact on the health of the State Highway Fund.

Thank you for the opportunity to provide testimony.

Testimony of
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWN H. SNIFFEN

IN REPLY REFER TO:

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Flat rate weight tax for disabled veterans

BILL NUMBER: SB 684; HB 877 (Identical)

INTRODUCED BY: SB by Espero; HB by Har, Aquino, Cullen, Ito, Kawakami, Oshiro, Say, Tokioka, Yamane and 1 Democrat

BRIEF SUMMARY: Amends HRS section 249-33 to provide that a permanently disabled veteran who is a Hawaii resident shall be assessed a flat rate motor vehicle weight tax. A vehicle weighing up to 10,000 pounds shall be subject to a flat rate of \$50 and a vehicle weighing over 10,000 pounds shall be subject to a state weight tax of \$100.

Defines "permanently disabled veteran" for purposes of the measure.

EFFECTIVE DATE: July 1, 2015

STAFF COMMENTS: The legislature by Act 141, SLH 2008, exempted from the motor vehicle weight taxes, one noncommercial motor vehicle owned by members of the national guard, reserves, active duty armed services, including the coast guard who are residents of Hawaii. This measure would allow residents who are disabled veterans to be charged a flat rate state motor vehicle weight tax of \$50 or \$100 depending on the weight of the motor vehicle.

Inasmuch as the motor vehicle weight tax and registration fees are user charges designed to recover the cost of construction and maintenance of Hawaii's highway system, there is little justification for the proposed measure. It should be remembered that all motorists use the state highways and should, therefore, lend a hand in paying for good and safe roads. Note well, that any preferential treatment granted to a select group of users requires that the lost revenues be made up by those who must continue to pay.

Preferential treatment based solely on physical condition or age have no place in the tax law and represent poor tax policy. So while the measure would provide relief to a disabled veteran, a single mom making minimum wage, barely making ends meet, must continue to pay these fees. As such, this proposal cannot be justified. Given that this proposal has been continually introduced, it is hard to imagine that lawmakers have not asked the question as to why they believe that a disabled veteran is financially incapable of paying his or her fair share to maintain the state's highways.

Digested 1/31/15.