

---

---

## HOUSE RESOLUTION

REQUESTING THAT THE TAX REVIEW COMMISSION CONSIDER CERTAIN GOALS FOR AN EQUITABLE, EFFICIENT, AND ADEQUATE TAX POLICY STRUCTURE IN ITS DELIBERATIONS.

1           WHEREAS, under Article VII, Section 3, of the Constitution  
2 of the State of Hawaii, the Tax Review Commission (TRC) is  
3 required to submit to the legislature an evaluation of the  
4 State's tax structure and recommend revenue and tax policy; and  
5

6           WHEREAS, Section 232E-3, Hawaii Revised Statutes, defines  
7 the duty of the TRC to conduct a systematic review of the  
8 State's tax structure, using such standards as equity and  
9 efficiency; and  
10

11           WHEREAS, prior TRCs have commissioned and produced various  
12 reports and studies regarding certain aspects of Hawaii's tax  
13 code; and  
14

15           WHEREAS, numerous proposals to modify the tax structure are  
16 introduced for legislative action every year; and  
17

18           WHEREAS, the basic functions of the Department of Taxation  
19 are to ensure:

20           (1) Efficient, accurate revenue collection; and

21           (2) Compliance with the tax laws of the State of Hawaii;

22 and  
23

24           WHEREAS, prior TRCs have been guided by three primary  
25 principles of sound tax policy that include equity, efficiency,  
26 and adequacy where:

27           (1) Equity is a measurement of how tax burdens are  
28 distributed;

29           (2) Efficiency is a measure of the transaction costs of the  
30 tax system; and



# H.R. NO. 177

1 (3) Adequacy is the ability of the tax system to produce  
2 enough revenue to fund government spending; now, therefore,  
3

4 BE IT RESOLVED by the House of Representatives of the  
5 Thirty-third Legislature of the State of Hawaii, Regular Session  
6 of 2025, that the TRC consider the following goals for an  
7 equitable, efficient, and adequate tax policy structure:

8 (1) State and local tax policy that maximizes benefit to  
9 Hawaii taxpayers when considering provisions of the federal  
10 Internal Revenue Code;

11 (3) Weighing the impact of federal policies and activity on  
12 Hawaii taxpayers; and

13 (2) Ensuring non-residents and visitors contribute fairly  
14 while minimizing impacts on residents;

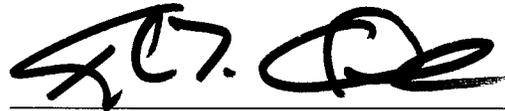
15 (3) Gauging the effectiveness and appropriateness of all  
16 tax credits and exemptions pursuant to Hawaii law;

17 (4) Evaluating the positive or negative features and  
18 impacts of one-time versus recurring tax revenue sources;

19 (5) Evaluating factors that affect revenue generation and  
20 the cost and effectiveness of enforcement activities; and  
21

22 BE IT FURTHER RESOLVED that certified copies of this  
23 Resolution be transmitted to the Director of the Department of  
24 Taxation and the Chair of the Tax Review Commission.  
25  
26  
27

OFFERED BY:



MAR - 7 2025

