

Request / Suggestions

Past Relevant Studies

Possibly Relevant Current Efforts

<p>Leg</p> <p>SCR 58: Evaluate "all or certain state income tax credits, exclusion, and deductions;" and if unable to do all, look at "those that result in the most significant loss of state general fund revenues"</p>	<p>DOTAX's annual reports on Tax Credits Claimed by Hawaii Taxpayers provide data on the cost of income tax claimed by individual and corporate taxpayers.</p>	<p>DOTAX's reports on Tax Credits Claimed by Hawaii Taxpayers provide data on the cost of income tax claimed by individual and corporate taxpayers.</p> <p>Per HRS 235-110.91, DBEDT to inform Leg (ca. mid-Aug.) on amounts of <u>high-tech</u> research tax credits. State economist says 10 companies claim this tax credit and the tax credit payment is about \$1.3 million.</p> <p>As per Act 239 SLH 2015, DBEDT in late July or Aug. will report to Leg on amount of tax revenue lost to state by Real Estate Investment Trust exemption. (Ca \$13.6M)</p> <p>And as per 2016 SCR 164, DBEDT will by Dec. prepare study of economic and tax effects of <u>adding</u> new GET exemption for federal contractors.</p>
<p>Leg / Gov</p> <p>SCR 59: Evaluate whether standard deduction and personal exemption should be increased or conformed with IRS code -- including possible index to inflation and considering revenue impacts in evaluation. Gov: Also study individual income tax rates and brackets to recoup some cost of conformance to federal code and reduce regressiveness of HI individual income tax.</p>	<p>DOTAX's annual reports on Hawaii Income Patterns - Individuals provide statistical data on Hawaii individual income tax, which are the basis for evaluating standard deduction, personal exemption, individual income tax rates, etc.</p> <p>Appendix F, 2005-2007 TRC Report, prepared by Tax Research and Planning Office. Includes estimated revenue losses for increasing standard deduction, expanding income tax bracket, enacting EITC, and providing food & medical services income tax credit. [http://files.hawaii.gov/tax/stats/trc/docs2007/Final_Report-Appendix_F.pdf]</p>	<p>DOTAX's annual reports on Hawaii Income Patterns - Individuals provide statistical data on Hawaii individual income tax, which is the basis for evaluating standard deduction, personal exemption, individual income tax rates, etc.</p>

Request / Suggestions

Past Relevant Studies

Possibly Relevant Current Efforts

Leg	SCR 138: (1) Evaluate impacts of GET/use tax increase for public education and long-term care financing; (2) Analyze whether sublease deduction can/should be applied to hotels same as other subleased property.		
Leg	SR 103: Update 1989 Miklius, Moncur, Leung study on tax burden by income class [and export to tourists} -- same methodology.	Appendix D, 2005-2007 TRC Report, "Study on the Progressive or Regressive Nature of Hawaii Taxes." [http://files.hawaii.gov/tax/stats/trc/docs2007/Final_Report-Appendix_D.pdf]	
Gov	Allocation of TAT: Evaluate proportional division of duties/responsibilities between state and counties, and recommend TAT split based on this.	Dec. 2015 "State-County Functions Working Group Report" -- \$165,000 effort also pegged to assessing State/county split for providing public services. Recommends (1) continuation of allocation to Tourism Special Fund at \$82M for FY16, amount to increase in future w/ CPI; (2) keep total \$31M allocations to Convention Center, Turtle Bay, and the Special Land Development Fund; (3) remainder 55% to State, 45% to counties (county allocations as at present). Report details multiple ways to assess "public service expenditures of the State and counties," and concludes no single approach seems definitive but the existing 55/45 TAT split reasonable.	
Gov	Tax Effect Timeshare vs. Hotel Rentals: Study how current tax structure (TAT vs. TOC for timeshaers) affects transient occupancy; recommend solutions to any equities (e.g., possible encouragement of investing in timeshares over hotels).	S. Kwak and J. Mak, "Taxing Timeshare Occupancy." UHERO Working Paper provides a great background/reference/idea on taxation of timeshare. http://www.uhero.hawaii.edu/assets/UHERO_WP2008-02.pdf	

Request / Suggestions

Past Relevant Studies

Possibly Relevant Current Efforts

<u>Request / Suggestions</u>	<u>Past Relevant Studies</u>	<u>Possibly Relevant Current Efforts</u>
<p>Gov</p> <p>Erosion of Certain Taxes from Inflation: Evaluate methods to prevent erosion of effective tax rates (including change to ad valorem or indexing rates to CPI) for tax types with rates not frequently adjusted</p>		
<p>XXXX</p> <p>Potential Additional Revenue Sources (if any TRC "Adequacy" review suggests these needed -- several legislators mentioned this possible need in confirmation hearings)</p>	<p>2010-2012 TRC engaged The PFM Group (PFM) to perform a systematic study of the State's tax structure, with particular emphasis on answering two key questions:</p> <ol style="list-style-type: none">1. Will the current tax system provide sufficient revenues to meet near and long term future needs for the 21st Century?2. Are there alternate tax structures that could improve Hawaii's ability to generate sufficient revenues? <p>The PFM study on Hawaii Taxes provides studies on tax adequacy and alternate revenue generating options. http://files.hawaii.gov/tax/stats/trc/docs2012/sup_120921/Hawaii_Report_9-21-12_final.pdf</p> <p>Knox study of Census on Govt. Finances shows some tax and charge/fee categories where Hawai'i collects less than most other states, though no analysis of why.</p>	<p>DBEDT to conduct \$100K study on real property tax in HI; report by end of year or early 2017. Scope being worked out -- may include possibility of State getting some real property tax revenue, too.</p>