

**NOTICE AND AGENDA
FOR 2005-2007 TAX REVIEW COMMISSION MEETING**

**PRINCESS RUTH KEELIKOLANI BUILDING
DEPARTMENT OF TAXATION
DIRECTOR'S CONFERENCE ROOM 221**

**TUESDAY, JANUARY 10, 2006
10:00 A.M.**

A G E N D A

- **CALL TO ORDER**
- **APPROVE MINUTES OF NOVEMBER 29, 2005 MEETING**
- **DISCUSS STATUS OF RFP'S**
 - Study 1: Economic, revenue and distributional impacts of general excise and use taxes.
 - Study 2: Cost and benefit analyses of selected recent tax credits.
 - Study 3: Economic effects of certain possible changes in exemptions from the general excise tax.
 - Study 4: Effects of eliminating or adjusting corporate, franchise, insurance and personal income taxes.
- **DISCUSS SELECTION PROCESS FOR RFP'S**
- **CLASSIFY THREE INTERNAL STUDIES PROPOSED BY MARILYN NIWAO**
- **INTRODUCE A LETTER FORWARDED TO THE COMMISSION FROM THE GOVERNOR**
- **ANNOUNCEMENT**
 - Preliminary drafting of the report will begin shortly for the parts that can be written before the internal and external studies are completed. Individual Commissioners are invited to bring forth questions they would like to see addressed or materials they would like to see included in the final report.
- **OLD BUSINESS – REVIEW THE STATUS OF THE INTERNAL STUDIES, INCLUDING THE INFORMATION THAT THE TAX RESEARCH AND PLANNING OFFICE CURRENTLY PLANS ON PROVIDING TO THE COMMISSION, KEEPING IN MIND WHAT ADDITIONAL INFORMATION THE COMMISSION WILL NEED TO COMPLETE ITS WORK, WHAT DECISIONS THE COMMISSION NEEDS TO MAKE, AND ANY OTHER INFORMATION THE INDIVIDUAL COMMISSION MEMBERS WOULD LIKE TO HAVE**
 - Review past TRC proposals that have been adopted.
 - Collect past TRC recommendations that have been repeated from Commission to Commission.

Review progressive or regressive nature of overall taxes.
Policies toward non-profit organizations, charitable giving, and the estate and inheritance tax.
Effects of the earned income tax credit.
Effects of increasing the standard deduction.
Effects of food and drug tax credits for taxpayers with federal adjusted gross income under \$40,000.
Expand income tax brackets by 25 percent.
Compare the general excise tax with a sales tax.
Update the report "Is Hawaii's Tax system Adequate," by James Mak and Shamsuddin Ahmad.
Update the report "Budget Stabilization Fund," by Marcia Sakai.
Update the report "Cost of Unemployment Insurance/Workers Compensation Program in Hawaii," by James Mak & Alison Abe.

- **NEW BUSINESS**

Discuss process and timing for evaluating suggestions made to the Commission regarding specific proposed changes to the tax law or to administrative procedures.

- **LIST AGENDA ITEMS FOR NEXT MEETING**

- **ANNOUNCE NEXT MEETING – JANUARY 31, 2006**

- **ADJOURNMENT**

Note: Persons with disabilities who need accommodations should call the Tax Research & Planning Office at 587-1440, three (3) business days before the meeting.