

**Tax Review Commission**

**Meeting Minutes, March 17, 2021**

Virtual Zoom Meeting  
Due to Covid-19 Stay at Home Ordinance  
Meeting was held virtually  
Video [Recording](#)

Wednesday, March 17, 2021  
12:00 p.m.

**PRESENT**

Council Members:

Elizabeth Giesting (Chair), Alton Miyashiro (Vice Chair), Murray Clay,  
Sayle Hirashima, Katharine Lloyd, Scott Teruya

Staff Members:

Department of Taxation (DOTAX): Seth Colby, Yvonne Chow, Baybars  
Karacaovali, Dongliang Wu, Roderick Tuliao

**CALL TO ORDER**

Chair called the meeting to order at 12:01 p.m. A quorum was present.

**COMMUNICATIONS TO THE COMMISSION AND PUBLIC COMMENT**

Chair Giesting asked if there was any communication to the Tax Review Commission (TRC).  
Public Testimony from Grassroots Institute and Don Rousslang was accepted and posted.

**MINUTES OF THE MEETING OF FEBRUARY 12, 2021**

Chair Giesting called for a motion to approve the minutes.

**It was moved by Ms. Lloyd and seconded by Mr. Clay that the minutes of the February 12th meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:**

Elizabeth Giesting    Yes  
Alton Miyashiro        Yes

<b>Murray Clay</b>	<b>Yes</b>
<b>Sayle Hirashima</b>	<b>Yes</b>
<b>Katharine Lloyd</b>	<b>Yes</b>
<b>Scott Teruya</b>	<b>Yes</b>

### **REPORT COUNCILMEMBERS COMMUNICATION WITH STAKEHOLDERS**

Chair Giesting reported the groups with whom the Commissioners have discussed TRC business. Vice-Chair Miyashiro spoke with Colbert Matsumoto and Joe Kent.

### **WHO PAY'S HAWAII'S TAXES PRESENTATION BY DR. SETH COLBY, TAX RESEARCH & PLANNING OFFICER**

Dr. Colby made a presentation on Who Pay's Hawaii's Taxes. [The presentation is posted on the TRC website.]

### **DISCUSSION OF POTENTIAL ISSUES AND THEMES FOR COMMISSION FOCUS**

Chair Giesting opened the meeting for discussion of potential issues by asking the Commission to identify tax issues to be considered.

Mr. Teruya suggested that the Commission look into whether the current tax credits/exemptions are still warranted. Moreover, Mr. Teruya noted the benefit of considering enforcement and its effectiveness of collecting taxes owed and posed the question of whether conveyance taxes are being reported and collected appropriately.

Mr. Hirashima commented on the adequacy of DOTAX technical and other resources for enforcement also supporting the 2010-2013 Simpson-Bowles report with regards to spending and agrees that the current structure is equitable referencing Dr. Colby's presentation and past reports. The GET is the more direct way to raise revenues for the State.

Ms. Lloyd said that increasing reliance on GET has the potential to really burden the State's ALICE (Asset Limited Income Constrained but Employed) constituencies noting that taxes is the 2<sup>nd</sup> highest expense after housing for this group of the public.

Vice-Chair Miyashiro supports the 2010-2013 Simpson-Bowles report and the DOTAX capacity for enforcement previous discussed. Vice-Chair Miyashiro also asked the Commission to consider economic growth in the State through targeted tax credits.

Mr. Clay suggested three areas of interest 1. Carbon tax study 2. Personal Exemption Standard Deduction updating; and 3. Treating retirement income more fairly.

Chair Giesting closed the discussion with sharing items from her list which included investing in Public Preschool and more affordable housing while also ensuring that the tax system stays progressive as possible and adequate by suggesting looking at property taxes, increased visitor fees, and maybe a increase in GET if accompanied by tax credits to offset the burden on low-income households.

**NEXT MEETING:**

The Tax Review Commission tentatively agreed to meet on Thursday, April 15, 2021, at 12 p.m. It will be a virtual meeting. The Chair adjourned the meeting.

**ADJOURNMENT:**

The meeting adjourned at 2:04 p.m.