

Tax Review Commission

Meeting Minutes, July 21, 2021

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

Wednesday, July 21, 2021
12:00 p.m.

PRESENT

Council Members:

Elizabeth Giesting (Chair), Alton Miyashiro (Vice Chair), Murray Clay,
Sayle Hirashima, Winston Wong, Katharine Lloyd

Staff Members:

Department of Taxation (DOTAX): Ted Shiraishi, Yvonne Chow, Baybars
Karacaovali, Roderick Tuliao

CALL TO ORDER

Chair Giesting called the meeting to order at 12:05 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).
There was none.

MINUTES OF THE MEETING OF JUNE 16, 2021

Chair Giesting called for a motion to approve the minutes.

It was moved by Mr. Clay and seconded by Ms. Lloyd that the minutes of the June 16th meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:

Elizabeth Giesting	Yes
Alton Miyashiro	Yes

Murray Clay	Yes
Sayle Hirashima	Yes
Winston Wong	Yes
Katharine Lloyd	Yes

DISCUSSION ON TRC CONSULTANT NEEDS AND PRIORITIES

Chair Giesting to get the discussion going suggested as a starting point, to have a consultant look at what has been reviewed and recommended by past Commissions with regards to what this Commission has identified as priorities which included:

1. Standard deductions
2. Personal exemptions
3. Compliance
4. Tax credits and GET exemptions
5. Wealth and property taxes
6. Simpson Bowles Commission

Ms. Lloyd responded that the Commission may want to update prior reports which have dealt with issues such as standard deductions and personal exemptions. Ms. Lloyd also referenced that in the 2017 report they did a projection of revenue for all sources of tax until 2025 and suggested the Commission should see how the projection is working.

Mr. Clay added that the taxation of defined benefit versus defined contribution retirement money should also be looked at. Chair Giesting agreed.

DISCUSSION ON GREENHOUSE GAS IMPACT FEES

Mr. Clay gave an overview of Professor Makena Coffman's proposal of Carbon Pricing Study for the TRC regarding Greenhouse Gas Impact Fees. [The proposal is posted on the TRC website.]

Professor Makena Coffman followed up with Mr. Clay's overview to give the Commission more details about her proposed Carbon Pricing Study and the scope of her research and the type of research that would be feasible/not feasible.

QUESTION AND ANSWER WITH DR. MAKENA COFFMAN

Chair Giesting asked if it would be feasible to get an estimated impact for the neighbor islands due to higher utilities and gas prices.

Professor Makena Coffman responded with assuming competitive markets the change would be equal across because the tax delta should be the same from carbon tax incidence.

Mr. Wong had a couple of questions regarding the dividend idea or direct transfer of revenues to residents:

1. Has it been implemented by any other jurisdiction state or county?
2. Is there any model that Hawaii could follow?

Professor Makena Coffman responded that there are none in the United States in the form of a Carbon Tax.

Mr. Wong further commented that due to time frame or lack of data two issues which in his opinion would not be able to be determine.

1. Impact on outer islands compared to Oahu.
2. The legality on whether the tax on jet fuel would be constitutional.

Professor Makena Coffman agreed with Mr. Wong.

Chair Giesting also commented regarding other options that Professor Makena Coffman mentioned in terms of using and distribution of revenues. Chair Giesting is concerned about low-income households that really cannot afford any additional tax.

Professor Makena Coffman responded that for this analysis they would not get into the use of revenues.

Mr. Clay followed up regarding Professor Makena Coffman's response by sharing information on the Public Benefit Fee which is tasked with helping everyone but primarily low to moderate income folks.

Chair Giesting called for a motion to move forward with the contract that is contemplated under these terms.

It was moved by Ms. Lloyd and seconded by Mr. Wong that the Commission will move forward with the contract to be accepted. The Chair called for the vote, and the motion passed with the following votes:

Elizabeth Giesting	Yes
Alton Miyashiro	Yes
Murray Clay	Yes
Sayle Hirashima	Yes
Winston Wong	Yes

Katharine Lloyd Yes

NEXT MEETING:

The Tax Review Commission tentatively agreed to meet on Wednesday, July 28, 2021, at 12:00 p.m. It will be a virtual meeting. The Chair adjourned the meeting.

ADJOURNMENT:

The meeting adjourned at 12:45 p.m.