

DRAFT

TAX REVIEW COMMISSION 2025-2027

Meeting Minutes,
Thursday, January 15, 2026

Virtual Meeting

Meeting was held virtually and video recorded.

Recorded Video Link: <https://youtu.be/0OXbo5zRe38?si=bIIIsX92j5tXOOiw>

Thursday, January 15, 2026

2:00 p.m.

PRESENT:

Commission Members:

Judith Chock, Jessica Enos, Mark Fukunaga, Stacey Katakura, Jeffrey Ueoka,
Jonathan White, Jon Yasuda

Staff Members:

Department of Taxation (DOTAX): Director Gary Suganuma, Deputy Director
Kristen Sakamoto, Baybars Karacaovali (Tax Research & Planning Officer), and
Roderick Tuliao

CALL TO ORDER

Dr. Karacaovali called the meeting to order at 2:03 p.m. A quorum was present.

Roll Call:

Ms. Judith Chock	Present
Ms. Jessica Enos	Present
Mr. Mark Fukunaga	Present
Ms. Stacey Katakura	Present
Mr. Jeffrey Ueoka	Present
Mr. Jonathan White	Present
Mr. Jon Yasuda	Present

OPENING REMARKS

Director Gary Sukanuma first congratulated all the appointed members for serving as part of the 2025-2027 Tax Review Commission.

Director Gary Sukanuma next communicated to the Commissioners that pursuant to the State Constitution and Hawai'i Revised Statutes, Chapter 232E that the Commission is an independent body interested to conduct a systematic review of Hawaii's tax structure utilizing standards such as equity and efficiency.

Director Gary Sukanuma continued to inform the Commission that because their findings and recommendations are required to be submitted to the Legislature, the Tax Department is fully committed to supporting the Commission with any tax research data and other information that they can provide.

Director Gary Sukanuma also stated that last year the Legislature appropriated \$200,000 to fund the Commission's work for the current fiscal year which is money that the Commission can use to cover any costs associated with work done by the Commission, including the cost for any consultants needed to help with the Commission's study and review of Hawaii's tax structure.

INTRODUCTION OF THE TAX REVIEW COMMISSION ("COMMISSION") STAFF AND MEMBERS

Dr. Karacaovali started by introducing himself as the Department of Taxation (DOTAX), Tax Research & Planning Officer; and Executive Director of the Commission.

Dr. Karacaovali continued with the introduction of Roderick Tuliao, Administrative Assistant, DOTAX, Office of Tax Research & Planning (TRP).

Dr. Karacaovali then asked each Commission member to introduce themselves.

Commission members each gave a brief introduction and business background:

- Judith Chock, CPA, Partner, SingerLewak LLP
- Jessica Enos, Owner, ABF Tax Advisors LLC
- Mark Fukunaga, Executive Chairman, Servco Pacific, Inc.
- Stacey Katakura, CPA, CEO & Founder, Accumulus
- Jeffrey Ueoka, Attorney, Wells Street Law, LLLC
- Jonathan White, Legal Counsel, Multistate Tax Commission
- Jon Yasuda, Tax Partner, KKDLY LLC

COMMUNICATIONS TO THE COMMISSION AND PUBLIC COMMENT

Dr. Karacaovali provided the Commission with two documents submitted to the Tax Review Commission (TRC).

1. House Concurrent Resolution No. 182, House of Representatives, Thirty-Third Legislature, 2025, State of Hawai‘i. Requesting that the Commission consider certain goals for an equitable, efficient, and adequate tax policy structure in its deliberations.
2. Senate Resolution No. 19 S.D.1, The Senate, Thirty-Third Legislature, 2025, State of Hawai‘i. Requesting the Commission to identify possible means by which the Hawai‘i Long-Term Care Financing Program can be implemented.

Dr. Karacaovali allowed time for comments from the public, no comments were received from the public.

PRESENTATION BY BAYBARS KARACAOVALI, PH.D.

Dr. Karacaovali prepared a presentation for the Commission which highlighted the following information:

1. **Tax Review Commission’s Statutory Duties: Section 232E-3, Hawai‘i Revised Statutes (HRS):** Section 232E-3, HRS, defines the duty of the Commission to conduct a systematic review of the State’s tax structure, using such standards as equity and efficiency.
2. **Three Primary Principles of Sound Tax Policy: Equity, Efficiency, and Adequacy:** Previous Tax Review Commissions have focused on three key principles: equity, which means fairness in how taxes are shared; efficiency, which means keeping the system simple and low-cost; and adequacy, which means making sure it raises enough money for government services.
3. **House Concurrent Resolution No. 182, 2025:** In Concurrent Resolution 182, the Legislature is requesting that the Tax Review Commission consider certain goals as it works toward an equitable, efficient, and adequate tax policy. These goals include looking at how federal tax rules affect Hawaii taxpayers, ensuring visitors and non-residents pay their fair share without burdening residents. The goals also include reviewing all tax credits and exemptions, comparing one-time and recurring revenue sources, and evaluating what drives revenue and how enforcement can be more effective.
4. **Senate Resolution No. 19 S.D.1, 2025:** Act 245, passed in 2002, created the Hawai‘i Long-Term Care Financing Program. However, the details—especially how to fund it—were never finalized. In 2003, the Legislature tried to move forward by passing a bill to create a Long-Term Care Income Tax Credit for those buying long-term care insurance, but that bill was ultimately vetoed by the Governor. Today, the Legislature is asking the Tax Review Commission to revisit this issue and explore practical ways

- to implement the Long-Term Care Financing Program. This includes considering an updated version of the Long-Term Care Income Tax Credit that was proposed back in 2003, as well as reviewing the findings from the earlier report, Financing Long-Term Care, prepared for the Legislature by the Executive Office on Aging in 1991.
5. **Tax Review Commission's Statutory Duties: Section 232E-3, HRS:** The members have just been recently appointed. Based on Section 232E-3, in practice, Commission's report will be due January 1st, 2027.
 6. **Sunshine Law: Hawaii's Open Meetings Law (Part 1 of Chapter 92, HRS):** The Sunshine Law is all about keeping government open and transparent—it makes sure the public has the right to know what's happening and encourages people to take part in the process.
 7. **Summary: Sunshine Law Requirements:** Key requirements of Hawaii's Sunshine Law that apply to TRC are as follows. First, TRC members are not allowed to discuss commission business outside of an official meeting. That means no side conversations by phone, email, or even on social media. Everything has to happen in the open. Second, TRC can only consider matters that are listed on the published agenda. If it's not on the agenda, it cannot be taken up during the meeting. This ensures transparency and gives the public proper notice. Third, for the TRC to hold a meeting and make decisions, a quorum is needed—at least four out of the seven members. Without that, no official action can be taken. Fourth, the agenda must be posted at least six calendar days before the meeting. This is a strict requirement so the public has time to review what will be discussed. Fifth, TRC must accept public testimony. Anyone who wants to speak on an agenda item has the right to do so. And finally, every meeting must have minutes or a recording. This creates a clear record of what happened and keeps the process transparent. These rules are essential for maintaining public trust and complying with the law.
 8. **Permitted Interactions (§92-2.5):** First, two commission members can have a private conversation about commission business, as long as they don't commit to a vote or form a quorum. So, quick discussions are okay—but no decision-making. Second, small groups—fewer than a quorum—can be assigned to investigate a topic or negotiate on behalf of the Commission. But here's the catch: their roles must be clearly defined in a public meeting, and any findings or decisions have to come back to the full commission at a properly noticed meeting. Third, commission members can privately discuss officer selection without reporting back. That's an exception built into the law. And finally, if a meeting is canceled because there wasn't a quorum, members who showed up can still receive testimony and presentations on the agenda—but they can't deliberate or decide anything until a later public meeting.
 9. **Permitted Interactions: Informational Meetings:** Two or more members, but less than a quorum—can attend informational meetings or presentations on topics related to commission business. This includes things like legislative hearings, community meetings, seminars, or conventions. The key rule is that the event cannot be organized specifically for or directed toward TRC members. While attending, members can

participate in discussions, even with each other, as long as those discussions happen during the event and no one makes or seeks a commitment to vote on anything. Finally, at the next official commission meeting, those members must report that they attended and share what was presented and discussed that related to commission business.

- 10. Permitted Interactions (92-2.5), Circulation of Proposed Legislative Testimony (HRS §92-2.5(h)):** If the commission has already adopted a position on a legislative measure, and there isn't enough time to schedule a meeting before a deadline, the Commission can circulate draft testimony for review and written comments.
- 11. Permitted Interactions (92-2.5), Discussions with the Governor, Discussions with the Department Head:** The full membership of the Commission can meet to discuss board business with the Governor. The full Commission can sit down with the Governor to talk about anything. It does, however, have to be the Governor, not the chief of staff. The full membership can also meet with the head of the department to which the board is attached. That, however, is limited to discussion of minor administrative matters. What are sometimes called paper clip items. Staffing decisions and purchases, budget and state funds, space allocation etc.
- 12. Sunshine Law Resources:** For detailed information please follow these links to the Hawai'i Office of Information Practices ("OIP") website: <https://oip.hawaii.gov/laws-rules-opinions/sunshine-law/> OIP has been the agency in charge of administering the Sunshine Law since 1998. They have extensive training materials and videos for the Commission's reference (<https://oip.hawaii.gov/sunshine-law-basic-training-videos-and-materials/>).
- 13. Available Resources:** DOTAX's Office of Tax Research & Planning (TRP) will provide administrative and research support to TRC. TRP has several key roles. First, it produces statistical reports based on data collected by DOTAX, including monthly and annual reports on the State's various taxes. Second, TRP provides administrative and technical support to the Council on Revenues. Third, it conducts economic and statistical analyses to help the Department implement its policies and programs. Fourth, TRP prepares reports on the revenue impact of proposed tax legislation. It also performs economic analysis of the State's tax system and, when the Tax Review Commission is in session, provides administrative and technical support. In short, TRP is the Department's research and analysis hub for tax and revenue policy.
- 14. Available Resources:** Past TRC Reports on Tax Review Commission Webpage: <https://tax.hawaii.gov/stats/tax-review-commission/>
- 15. Available Resources:** Annual Statistical TRP Reports: https://tax.hawaii.gov/stats/a5_1annual/
- 16. Proposed Presentation Topics:** General Overview of the Hawai'i Tax System. Recent Trends in State's Tax Revenue Collections and Forecast of General Fund Revenues. Summary of Recommendations Made by Past Tax Review Commissions, Subsequent Legislation, and Background Information. Hawaii's Major Tax Types: Individual Income Tax, General Excise & Use Tax (GET), Transient

Accommodations Tax (TAT), and Corporate Income Tax. Tax Credits. GET Exemptions.

The presentation slides are available on the Tax Review Commission website:
https://files.hawaii.gov/tax/stats/trc/docs2025/2026-01-15-TRC_Presentation-DOTAX-TRP.pdf

ELECTION OF CHAIR AND VICE CHAIR OF THE COMMISSION

Prior to election of Chair and Vice-Chair, Deputy Attorney General Cynthia Johiro interjected requesting the following:

1. To have all Commissioners indicate whether anyone other than themselves was present in their office or surrounding area in which they were attending the Zoom meeting.
2. A roll call of Members for the record.

Deputy Attorney General Cynthia Johiro asked the Commission members if there were any nominations for Chair of the Tax Review Commission.

Mr. Ueoka nominated Mr. White for Chair of the Tax Review Commission due to Mr. White's work with the previous Tax Review Commission.

Mr. White expressed his concerns about being nominated as Chair for the Tax Review Commission and asked for a discussion.

Ms. Enos agreed with Mr. Ueoka's nomination of Mr. White.

Deputy Attorney General Cynthia Johiro asked if there were any other nominations for Chair of the Tax Review Commission.

There were no other nominations.

Deputy Attorney General Cynthia Johiro advised the Commissioner's that a motion to nominate a Chair for the Tax Review Commission must be made.

Ms. Katakura moved to nominate Mr. White as Chair of the Tax Review Commission.

Ms. Enos seconded the motion to nominate Mr. White as Chair of the Tax Review Commission.

A vote was taken, and it was unanimously approved for Mr. White to be the Chair of the 2025-2027 Tax Review Commission.

Before selecting the Vice-Chair, Deputy Attorney General Cynthia Johiro asked each member to answer “present” in attendance for Zoom meeting to comply with Robert’s Rules of Order.

Ms. Johiro gave the floor for discussion to nominated Chair Mr. Jonathan White regarding the election of Vice-Chair.

Chair White asked the Commission if there were any nominations for Vice-Chair.

Ms. Chock volunteered to nominate herself if there were no other nominations for Vice-Chair.

Mr. Ueoka motioned to nominate Ms. Chock as Vice-Chair of the Tax Review Commission.

Ms. Enos seconded the motion to nominate Ms. Chock as Vice-Chair of the Tax Review Commission.

Chair White asked the Commission to take a vote regarding Ms. Chock’s nomination as Vice-Chair for the Tax Review Commission.

A motion was made by Ms. Katakura nominating Mr. White as Chair of the Tax Review Commission. Ms. Enos seconded the motion. Deputy Attorney General Cynthia Johiro called a vote, and the motion passed with the following votes:

Ms. Judith Chock	Yes
Ms. Jessica Enos	Yes
Mr. Mark Fukunaga	Yes
Ms. Stacey Katakura	Yes
Mr. Jeffrey Ueoka	Yes
Mr. Jonathan White	Yes
Mr. Jon Yasuda	Yes

A motion was made by Mr. Ueoka nominating Ms. Chock as the Vice-Chair of Tax Review Commission. Ms. Enos seconded the motion. The Chair called for the vote and the motion passed with the following votes:

Ms. Judith Chock	Yes
Ms. Jessica Enos	Yes
Mr. Mark Fukunaga	Yes

Ms. Stacey Katakura	Yes
Mr. Jeffrey Ueoka	Yes
Mr. Jonathan White	Yes
Mr. Jon Yasuda	Yes

NEXT MEETING:

The Tax Review Commission tentatively agreed to meet on Tuesday, February 17, 2026, at 2:00 p.m. It will be a virtual meeting.

Based on consensus, the Commission decided to have Dr. Karacaovali make a presentation on “General Overview of the Hawai‘i Tax System” in the next meeting. The Board members will also think about their priorities and contracting consultants to be discussed at the next meeting.

ADJOURNMENT:

The Chair adjourned the meeting at 3:02 p.m.