

TAX REVIEW COMMISSION 2025-2027

Meeting Minutes,
Wednesday, April 1, 2026

Virtual Meeting

Meeting was held virtually and video recorded.

Recorded Video Link: <https://www.youtube.com/watch?v=cS95WhMgTSQ>

Wednesday, April 1, 2026

2:00 p.m.

PRESENT:

Commission Members:

Jonathan White (Chair), Judith Chock (Vice-Chair), Jessica Enos, Mark Fukunaga, Jeffrey Ueoka, Jon Yasuda

Staff Members:

Department of Taxation (DOTAX): TRC Executive Director Dr. Baybars Karacaovali (DOTAX Tax Research & Planning Officer) and Roderick Tuliao (Administrative Assistant); Emill Acosta (Administrative Services Office)

Attorney General's Office:

Deputy Attorney General Cynthia Johiro

CALL TO ORDER

Chair White called the meeting to order at 2:00 p.m. A quorum was present.

Roll Call:

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

COMMUNICATIONS TO THE COMMISSION AND PUBLIC COMMENT

Chair White asked if there was any communication to the Tax Review Commission (TRC).

Dr. Karacaovali said there was no communication received.

Chair White allowed time for comments from the public, no comments were received from the public.

MINUTES OF THE MEETING OF MARCH 17, 2026

Chair White called for a motion to approve the minutes.

It was moved by Mr. Ueoka and seconded by Mr. Yasuda that the minutes of the March 17th meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:

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

DISCUSSION OF TOPICS AND DEVELOPMENT OF REQUEST(S) FOR PROPOSALS

Chair White started the discussion by suggesting the Commission request for two vendors.

Chair White then asked if any member of the Commission would be willing to contact UHERO to explore their interest in serving as a vendor.

Mr. Fukunaga said that he was be able to reach out to UHERO.

Chair White shared his desktop screen showing an outline for topics and development of requests for proposals.

1. Project 1
 - a. Competitiveness:
 - i. identification of opportunities to make Hawaii's tax system more competitive while maintaining current revenue collections
 1. Must include:

- a. Empirical analysis of Hawaii's current competitiveness
2. Empirically supported ways to support and encourage economic growth
- ii. Must Consider:
 - a. Stability and variety of current and proposed revenue sources
 - b. Hawaii's balanced budget requirement
 - c. Department of Taxation resources
- b. Tourism:
 - i. Empirical analysis of the effect of the transient accommodations tax, including the effect of rate changes on:
 1. Total visitors to Hawaii
 2. Total transient accommodations tax collections
 3. Total spending by all visitors to Hawaii
 4. Total spending per visitor to Hawaii
 - ii. This analysis may include alternative ways to structure Hawaii's taxes to target tourism while sustaining and growing the metrics listed above

Chair White highlighted to the Commission that applicants are invited to submit bids on both topics or only a single topic. If requested, the contractor shall make a presentation of the study to the Commission.

1. Project 2:
 - a. State resiliency:
 1. A study of Hawaii's medium-and long-term tax adequacy with a focus on Hawaii's climate change resilience
To include:
 - i. An estimate of the scale of change needed for meaningful climate change resilience
 - ii. Identification of short-medium-and long-term funding targets
 - iii. Identification of metrics for measuring Hawaii's climate change resilience
 2. This study should not focus on ways to reverse climate change
 3. This study can include identification of specific actions, but that should not be the focus. The focus of this study should be the scale of the need
 4. This study can include consideration of Hawaii's tax adequacy more generally but should avoid retreading ground covered by consultant reports to prior Tax Review Commissions. Relevant reports from prior Tax Review Commissions are available
 - b. Housing affordability:
 1. Policy proposals to improve housing affordability in the short-and medium terms and housing supply adequacy in the long-term
 - i. To include:

- a. Consideration of the effectiveness of current incentives, e.g., the low-income tax credit and accompanying general excise tax exemption
- b. Consideration of tax increment financing

Chair White also discussed other topics for which the Commission needs to determine whether a consultant is required:

1. Credits/exemptions
 - a. Credits/exemptions and are they working
 - b. Framework to evaluate credits
2. Retirement Income:
 - a. Comprehensive proposal to ensure equitable state income tax treatment of retirement income
 - b. To include treatment of:
 1. Employer funded retirement plans
 - c. Hybrid plans funded by the employer and employee contributions
 - d. Ways to improve compliance
3. Regressivity
 - a. Survey past reports and other state and use Department resources
4. Long-term care financing
 - a. On our own

Ms. Chock asked if the procurement allows for multiple awards if the proposals show different strengths for different topics.

Dr. Karacaovali responded that each project would be one person or one company but clarified that the reasoning for multiple projects in one place was to maybe garner more applications so the Commission would be able to meet the minimum requirements of three applicants needed when requesting professional services.

The Commission members gave their thoughts regarding Chair White's outline for list of proposals.

Chair White deferred to vote on proposed topics until later in the meeting.

PROCEDURAL MATTERS FOR HIRING OF CONSULTANTS

Chair White asked Dr. Karacaovali and Mr. Acosta from the Administrative Services Office (ASO) if they had any information to share with the Commission regarding procedural matters related to hiring consultants.

Dr. Karacaovali gave the Commission a few pros and cons regarding the request for proposals versus a notice for professional services.

Chair White asked if the contracts have a limit in terms of length of time that a contract must be open.

Mr. Acosta responded that regarding the solicitation, the State Procurement Office (SPO) has no real time limit unlike the RFP where it must be listed for a month.

Dr. Karacaovali asked for clarification regarding project deadlines.

Mr. Acosta said that basically from what he understands there is no time limit for the contracts and will depend on what the Commission requires and their scope of work requested.

Ms. Chock asked how the Commission can control the budget to ensure that the hired consultant does not go over allotted budget.

Dr. Karacaovali responded that typically consultants would charge by the hour, but when it is for a project, they will normally charge a fixed rate.

Chair White asked the Commission members if they had any further questions for Dr. Karacaovali or Mr. Acosta concerning the procedures for hiring consultants.

15 MINUTE BREAK

Chair White called for a 15-minute break and asked each Commission member to turn off their microphones, turn off their cameras, and avoid discussing any TRC business during the 15-minute break.

CONT. DISCUSSION OF TOPICS AND DEVELOPMENT OF REQUEST(S) FOR PROPOSALS

Chair White shared his desktop screen showing the updated outline for topics and development of requests for proposals (RFPs) suggested by the Commission.

Chair White added to the “analysis of the cost and strategic value of select credits and incentives:

1. To include low-income housing tax credit, opportunity zone incentives, enterprise zone incentives, and the Hawaii Film Credit, and others at the selection of the applicant
2. Proposals to better deploy the identified cost to encourage economic growth

3. A framework for evaluating the economic growth value of existing and proposed credits and incentives

Chair White moved to the next item on the outline and asked the Commission if they had any more comments regarding tourism.

Mr. Fukunaga asked if there was an analysis done on the green fee.

Chair White said he was not sure and would have to do research.

Ms. Enos suggested researching the impact of other tax pieces on tourism.

Chair White suggested asking the vendor for ideas on additional metrics to measure taxes that primarily affect tourists, such as the TAT.

Based on the feedback from the Commission, Chair White determined that both the tourism study and the housing study should be tabled for the time being, and that the Commission should proceed with Project 1 on competitiveness. It would be left to the evaluation committee to wordsmith the actual language in the solicitation for professional services or RFP. However, TRC agreed on Competitiveness-Project 1 as follows: Identification of opportunities to make Hawaii's tax system more competitive while maintaining current revenue collections.

Must include: (1) empirical analysis of Hawaii's current competitiveness; (2) empirically supported ways to support and encourage economic activity.

Must consider: (1) stability and variety of current and proposed revenue source(s); (2) Hawaii's balanced budget requirement; (3) Department of Taxation resources.

DISCUSSION ON THE NEXT MEETING AGENDA

Chair White noted that the next agenda will cover any issues that may emerge, as well as a follow-up report from the evaluation committee.

Dr. Karacaovali noted that he could put together some information on past TRC work that was done regarding Tourism and TAT to provide more background and context for the discussion on Tourism in the next meeting. Mr. Fukunaga and Chair White agreed that it would be a good idea.

It was also decided that Mr. Ueoka would share the notes regarding the Housing Affordability topic with Dr. Karacaovali to include it in his presentation at the next meeting.

Chair White requested a motion to include Competitiveness-Project 1 in the solicitation for professional services or RFP in order to proceed and noted that final wordsmithing of the project would be handled by the evaluation committee.

A motion was made by Mr. Ueoka that Competitiveness-Project 1 prompt be included in the solicitation for professional services or RFP to move forward and Ms. Enos seconded the motion. The Chair called for the vote and the motion passed with the following votes:

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

SCHEDULING OF THE NEXT MEETING

The Tax Review Commission agreed to meet on Monday, April 20, 2026, at 2:30 p.m. It will be a virtual meeting.

ADJOURNMENT:

The Chair White adjourned the meeting at 3:58 p.m.