

DRAFT

COUNCIL ON REVENUES

General Fund Meeting Minutes **Thursday, September 4, 2025**

Virtual Meeting
Meeting was held virtually and video [recorded](#).

Thursday, September 4, 2025
2:00 p.m.

PRESENT:

Council Members:

Kurt Kawafuchi, (Chair), Kristi Maynard (Vice-Chair), Carl Bonham,
Scott Hayashi, Mike Hamasu, Regina Ostergaard-Klem, Marjorie Bennett

Staff Members:

Department of Taxation: Director Gary Suganuma, Deputy Director Kristen
Sakamoto, Baybars Karacaovali, Yvonne Chow, Shi Fu, Sisi Zhang and Roderick
Tuliao
Department of Budget and Finance (B&F): Gregg Hirohata-Goto

CALL TO ORDER:

The Chair called the meeting to order at 2:01 p.m. A quorum was present.

COMMUNICATIONS TO THE COUNCIL AND PUBLIC COMMENT:

Chair Kawafuchi asked if there was any communication to the Council on Revenues (the Council). There were no communications to the Council and no public comment.

APPROVED MINUTES OF THE MEETING OF JULY 31, 2025:

Vice-Chair Maynard called for a motion to approve the minutes. Ms. Bennett moved to approve the minutes. Mr. Hayashi seconded.

It was moved by Ms. Bennett and seconded by Mr. Hayashi that the minutes of the July 31st meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi
Kristi Maynard

Abstain
Yes

Carl Bonham	Abstain
Scott W. Hayashi	Yes
Marjorie Bennett	Yes
Mike Hamasu	Yes

REVIEW OF REVENUES BY DR. BAYBARS KARACAOVALI, TAX RESEARCH & PLANNING OFFICER:

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

1. General Excise & Use Tax Collections
2. Major Tax-Related Measures Passed by the 2024 Legislature and Enacted into Law
 - a. Act 46, SLH 2024 – Individual Income Tax Cut.
 - b. Act 47, SLH 2024 - GET Exemption
3. Individual Income Tax Collections
4. Transient Accommodations Tax Collections
5. Transient Accommodations Tax Liability by Tax District
6. Transient Accommodations Tax Liability Composition by Tax District
7. Corporate Income Tax Collections
8. General Fund
9. Estimates of General Fund Tax Revenue from the Meeting of May 21, 2025: FY 2025 to FY 2031
10. Major Tax-Related Measures Passed by the 2025 Legislature and Enacted into Law
 - a. Act 58, SLH 2025 – Pass-Through Entity (PTE) Tax Add-Back
 - b. Act 96, SLH 2025 – Transient Accommodations Tax Increase and Imposition on Cruise Ships
11. Summary Table: Estimates of General Fund Tax Revenues: FY 2026 to FY 2032
12. Estimates of General Fund Tax Revenue Before and After Adjustments for Changes in Tax Laws: FY 2026 to FY 2032
[\[PRESENTATION AVAILABLE ON COR WEBSITE\]](#)

DISCUSSION AND VOTE ON THE GENERAL FUND TAX REVENUE FORECAST FOR FISCAL YEAR 2026:

Mr. Kawafuchi asked Dr. Bonham to start off the discussion for Fiscal year 2026.

Dr. Bonham started by sharing a few comments regarding Table 3 (Council's Mean Forecast).

Dr. Bonham stated that he thinks the Council's inputs are a little too high which is reflected in chart one of page eight in the Council's workbook.

Dr. Bonham said that he'd be inclined to have a lower forecast in both FY 2026 and FY 2027.

Ms. Ostergaard-Klem asked Dr. Bonham if he could share his inflation forecast with the Council.

Dr. Bonham responded with a forecast of 3% for FY 2026 and 4% for FY 2027.

Mr. Kawafuchi asked Dr. Bonham what his forecast for the current fiscal year was.

Dr. Bonham stated that his forecast for the full fiscal year is -3.7%.

Mr. Kawafuchi asked the Council if there was any other comments or concerns regarding FY 2026.

Ms. Maynard expressed her concerns regarding visitor count, tariffs, and housing.

Ms. Bennett also provided comments regarding housing.

Mr. Kawafuchi asked Dr. Bonham if he had a proposed number for the Council for FY 2026.

Dr. Bonham thinks the -4.7% is reasonable for FY 2026.

Dr. Bonham then made a motion of -4.7% growth rate for FY 2026.

Ms. Maynard seconded the motion of -4.7% growth rate for FY 2026.

Mr. Kawafuchi asked the Council if there was any further discussion for FY 2026.

There was no further discussion and a vote was taken.

It was moved by Dr. Bonham and seconded by Ms. Maynard that the General Fund growth rate forecast be -4.7% for FY2026. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes
Marjorie Bennett	Yes

DISCUSSION AND VOTE FOR THE GENERAL FUND TAX REVENUE FORECAST FOR FY2027:

Mr. Kawafuchi asked if anyone from the Council would like to lead off the discussion for FY 2027.

Ms. Maynard started stating that there should be some positive movement in the out years.

Dr. Bonham referenced both his above the line forecast of 2.3% and the Council means above the line forecast of 4.1% which in his opinion makes him a bit more pessimistic for FY 2027.

Ms. Maynard asked Dr. Bonham if he would be comfortable with a 2.0% growth rate for FY 2027.

Dr. Bonham said that 2.0% would seem reasonable.

Ms. Ostergaard-Klem asked Dr. Bonham what his numbers was for visitors' expenditures and arrivals.

Dr. Bonham responded that in FY 2027 for his model it's real income growth that's dragging down the tax revenue forecast which he stated is a big component in the model and it enters separately from the inflation number.

Ms. Maynard made a motion of 2.0% growth rate for FY 2027.

Dr. Bonham seconded the motion of 2.0% growth rate for FY 2027.

Mr. Kawafuchi asked the Council if there was any further discussion for FY 2027.

There was no further discussion and a vote was taken.

It was moved by Ms. Maynard and seconded by Dr. Bonham that the General Fund revenue growth rate forecast be 2.0% for FY2027. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes
Marjorie Bennett	Yes

DISCUSSION AND VOTE ON THE GENERAL FUND TAX REVENUE FORECAST FOR FY2028 THROUGH FY2032:

Mr. Kawafuchi asked if anyone from the Council wanted to start the discussion.

Dr. Bonham started the discussion by comparing table 6AA current forecast and 5B from the Councils last forecast.

Dr. Bonham said based on those tables he'd be inclined to a 3.0%.

Ms. Maynard said that would be 2.0% below the line for the out years.

Mr. Hamasu asked the Council if there would be any type of bounce back with the upcoming election in 2028.

Dr. Bonham said he thought the bounce back should have been in FY 2027.

Dr. Bonham then suggested that the Council adopt an above the line forecast and let the Tax department do the calculations to figure out what that implies for the below the line.

Dr. Bonham motioned for 3.5% above the line for FY 2028 and continue forward for the out years.

Ms. Bennett seconded for 3.5% above the line for FY 2028 and continue forward for the out years.

Mr. Kawafuchi asked the Council if there was any further comments or discussions.

The Council all agreed, and a vote was taken.

It was moved by Dr. Bonham and seconded by Ms. Bennett that the General Fund revenue growth rate forecast be 1.9% for FY2028, 2.5% for FY2029, 1.8% for FY2030, 3.1% for FY2031, and 3.4% for FY2032. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes
Marjorie Bennett	Yes

**REPORT BY THE DEPARTMENT OF BUDGET & FINANCE ON OTHER REVENUES
BY MR. GREGG HIROHATA-GOTO:**

Mr. Gregg Hirohata-Goto provided the Council with a report of revised projections for General Fund non-tax revenues, non-General Fund tax, and non-tax revenues since the July 31st meeting. He provided a written report summary of significant changes in revenues from Use of Money and Property, Non-revenue receipts, Transfer of General Excise Tax, Charges for Current Services.

It was moved by Mr. Hayashi and seconded by Ms. Ostergaard-Klem to adopt the Budget & Finance Report. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes
Marjorie Bennett	Yes

NEXT MEETING:

The Council tentatively agreed to meet on Thursday, October 30, 2025, at 2 p.m. for the Total Personal Income forecast.

ADJOURNMENT:

The meeting adjourned at 3:46 p.m.