

## **COUNCIL ON REVENUES**

### **Total Personal Income Meeting Minutes** **Thursday, July 31, 2025**

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

Thursday, July 31, 2025  
2:00 p.m.

#### **PRESENT:**

##### Council Members:

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

##### Staff Members:

Department of Taxation: Director Gary Suganuma, Deputy Director Kristen Sakamoto, Baybars Karacaovali, Yvonne Chow, Sisi Zhang and Roderick Tuliao

#### **CALL TO ORDER:**

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

#### **COMMUNICATIONS TO THE COUNCIL AND PUBLIC COMMENT:**

Vice-Chair Maynard asked if there was any communication to the Council on Revenues (the Council). There were no communications to the Council and no public comments.

#### **APPROVED MINUTES OF THE MEETING OF MAY 21, 2025:**

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

**It was moved by Mr. Hayashi and seconded by Dr. Bonham that the minutes of the May 21st meeting be accepted. The Vice-Chair called for the vote, and the motion passed with the following votes:**

Kristi L. Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Abstain

**Mike Hamasu**  
**Marjorie Bennett**

**Yes**  
**Abstain**

**INFORMATIONAL PRESENTATION ON THE FORECAST OF TOTAL PERSONAL INCOME FOR CY2025- CY2026 BY DR. BAYBARS KARACAOVALI, ACTING TAX RESEARCH & PLANNING OFFICER:**

Dr. Karacaovali made a brief presentation highlighting Tables 3 and 4 from the workbook the Tax Research & Planning (TRP) office prepares for the Council.

Dr. Karacaovali pointed out that, as summarized in Table 3, the Council's Total Personal Income (TPI) Forecast for CY2024 was 5.50% in their previous TPI meeting in October 2024 and according to the June 2025 preliminary numbers from the Bureau of Economic Analysis (BEA), the actual CY2024 growth rate stood at 5.50%.

Dr. Karacaovali cautioned the Council members that when BEA revises their numbers in September, the growth rates often change, sometimes affecting the growth rates for several years.

Dr. Karacaovali reminded the Council that the Council's TPI Forecast for CY2025 was 4.80% in their previous TPI meeting in October 2024.

Finally, Dr. Karacaovali indicated that, as summarized in Table 4, the simple average of TRP's all six models as of July 2025 forecast 4.96% TPI growth rate for CY2025 and 4.69% for CY2026.

**DISCUSSION AND VOTE ON THE TOTAL PERSONAL INCOME FORECAST FOR CY2025:**

Ms. Maynard asked Dr. Bonham to start the discussion for Total Personal Income Forecast for CY2025.

Dr. Bonham started the discussion by referencing Table 4 which showed the simple average of all the models.

Dr. Bonham stated that the Council's May forecast of 5.79% was too high and seemed out of reach.

Dr. Bonham suggested the simple average of the Councils models of 4.9% for CY2025 and 4.6% for CY2026 as the TPI forecast.

Dr. Bonham noted that Hawaii started off the year on a strong note with a surprisingly strong job growth with hotel and retail workers.

Dr. Bonham said that he would be comfortable with a 4.9% forecast for CY2025.

Mr. Hayashi asked Dr. Bonham if he would know the loss impact of the One Big Beautiful Bill (OBB) in terms of Medicaid.

Dr. Bonham said that the loss impact for Medicaid would not show up until the end of 2026.

Ms. Maynard asked Dr. Bonham if there is any impact from DOGE and U.S. cutbacks on federal employees.

Dr. Bonham said the impact from DOGE and U.S. cutbacks on federal employees are not in the data yet.

Ms. Maynard then asked Dr. Bonham what his inflation forecast was for CY2025 and CY2026.

Dr. Bonham responded that inflation came down to 2.7% but his forecast for the whole year has it at 3.7% for CY2025 and 4.6% for CY2026.

Ms. Maynard asked Ms. Ostergaard-Klem or Mr. Hamasu if they had any comments regarding Dr. Bonham's forecast of 4.9% for CY2025.

Mr. Hamasu said that the third quarter looked stable and that he was not worried yet as of that point even with all the changes occurring in the trade market.

Ms. Ostergaard-Klem asked when the State would start seeing the impacts of potential tariffs on construction.

Mr. Hayashi responded that it would depend on the size of the project but acknowledged that the bigger impact would be in the residential market.

Ms. Maynard asked Ms. Bennett if she had any comments or questions.

Ms. Bennett shared her thoughts on construction and wages but agreed with Dr. Bonham regarding the last round of numbers being optimistic and that the Council should forecast another estimate.

Ms. Maynard asked the Council if there was a motion for CY2025.

Dr. Bonham moved 4.9% for the Total Personal Income growth for CY2025.

Ms. Bennett seconded the 4.9% Total Personal Income growth motion for CY2025.

Ms. Maynard asked the Council if there was any further discussion of the motion at 4.9%.

There were no further comments or questions.

**It was moved by Dr. Bonham and seconded by Ms. Bennett that the Total Personal Income growth rate forecast be 4.9% for CY2025. The Vice-Chair called for the vote, and the motion passed with the following votes:**

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

**DISCUSSION AND VOTE ON THE TOTAL PERSONAL INCOME FORECAST FOR CY2026:**

Dr. Bonham started the discussion for CY2026 and said that he would be comfortable with the 4.6% forecast as previously stated earlier in the meeting.

Ms. Maynard asked the Council if there were any further comments regarding CY2026.

Mr. Hayashi and Mr. Hamasu agreed with Dr. Bonham.

Mr. Hamasu asked if there should be any concern regarding the OBB from a tax perspective or business incentives perspective that could boost the activity in 2026.

Dr. Bonham said that in terms of the expensing of investment there was a little there.

Ms. Ostergaard-Klem expressed her concerns regarding housing costs.

Dr. Bonham said that not a lot of activity was being created from sales properties and the tax revenue generated.

Dr. Bonham moved 4.6% for the Total Personal Income growth for CY2026.

Mr. Hayashi seconded the 4.6% Total Personal Income growth motion for CY2026.

Ms. Maynard asked the Council if there was any further discussion for CY2026.

There was no further discussion.

**It was moved by Dr. Bonham and seconded by Mr. Hayashi that the Total Personal Income growth forecast be 4.6% for CY2026. The Vice-Chair called for the vote, and the motion passed with the following votes:**

<b>Kristi L. Maynard</b>	<b>Yes</b>
<b>Carl Bonham</b>	<b>Yes</b>
<b>Scott W. Hayashi</b>	<b>Yes</b>
<b>Regina Ostergaard-Klem</b>	<b>Yes</b>
<b>Mike Hamasu</b>	<b>Yes</b>
<b>Marjorie Bennett</b>	<b>Yes</b>

**NEXT MEETING:**

The Council tentatively agreed to meet on, September 4, 2025, at 2 p.m., for their .

**ADJOURNMENT:**

The meeting adjourned at 3:08 p.m.