

COUNCIL ON REVENUES

General Fund Meeting Minutes Tuesday, March 10, 2026

Virtual Meeting

Meeting was held virtually and video recorded.

Recorded Video Link: <https://www.youtube.com/watch?v=llC1ChMBxPk>

Tuesday, March 10, 2026

2:00 p.m.

PRESENT:

Council Members:

Kurt Kawafuchi, (Chair), Kristi Maynard (Vice-Chair), Carl Bonham,
Scott Hayashi, Michael Hamasu, Marjorie Bennett

Staff Members:

Department of Taxation: Director Gary Suganuma, Deputy Director Kristen
Sakamoto, Baybars Karacaovali (Tax Research & Planning Officer), 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 2:00 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 comments.

APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 7, 2026:

Chair Kawafuchi called for a motion to approve the minutes. Ms. Maynard moved to approve the minutes. Ms. Bennett seconded.

Ms. Maynard moved to approve the minutes of the January 7 meeting, and Ms. Bennett seconded the motion. The Chair called for a vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi Maynard	Yes
Marjorie Bennett	Yes

Carl Bonham	Yes
Michael Hamasu	Yes
Scott W. Hayashi	Yes

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

Dr. Karacaovali made a presentation to the Council which highlighted the following information:

1. Tax Revenue Composition – Fiscal Years (FYs)2016 - 2025
2. FY 2025 – Total State Tax Collections.
3. General Excise & Use Tax Collections (\$ Million, FY 2024-FY 2026 through February 2026) – Chart
4. Individual Income Tax Collections (\$ Million, FY 2024-FY 2026 through February 2026) – Chart
5. Transient Accommodations Tax Collections (\$ Million, FY 2024-FY 2026 through February 2026) – Chart
6. General Fund (\$ Million, FY 2024-FY 2025) – Chart
7. Preliminary General Fund (\$ Million, July through February FYTD 2024-2026) – Chart
8. General Fund Revenue – Actual (FY 2024-FY 2025) and Council’s Official Forecast from its January 2026 Meeting (FY 2026-FY 2032) (\$ Million) – Chart and Table
9. Summary Table – Estimates of General Fund Tax Revenue: Council’s Official Forecast from its January 2026 Meeting versus the Current Model Forecast FY 2026 to FY 2032 Amount (in \$1,000) and Growth Rates (%)

[THE PRESENTATION IS AVAILABLE ON THE COR WEBSITE]

Presentation Link: https://files.hawaii.gov/tax/useful/cor/2026gf03_10_DOTAX_presentation.pdf

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

Mr. Kawafuchi asked if any Council member would like to start off the discussion for fiscal year (FY) 2026.

Ms. Maynard started the discussion by stating that the most recent visitor spending numbers were strong, and she was pleased that the State was doing better than she initially feared.

Yet Ms. Maynard also expressed her concerns regarding travel and the reduced wealth effect due to the stock market weakness. She stated that all this volatility was making people a little more nervous; however, she felt a bit more optimistic based on the preliminary general fund collection figures through February 2026 that were provided by DOTAX.

Dr. Bonham said that in the last meeting everyone was a bit more optimistic partly because there was increase in tourism spending that happened in the second half of the previous year.

Dr. Bonham also mentioned that UHERO's last forecast report was a bit more upbeat, which was very consistent with the way the Council was feeling back in January.

Dr. Bonham highlighted strong consumer spending in the State and nationally which was due to wealthy travelers.

Dr. Bonham stated that the only accommodation type that experienced strong revenue growth last year for Hawaii was the high-end properties while the middle and below were seeing declining occupancy rates, declining prices, and declining revenues.

Dr. Bonham said that the State has experienced a little better tax revenue growth than expected and stated that he would feel comfortable adopting the Council's last forecast for FY2026, which was -4.7% or maybe even a little bit stronger than that and suggested -4.5%.

Mr. Hayashi asked Dr. Bonham for his assessment of the recent employment figures, specifically referencing the reported loss of 92,000 jobs.

Dr. Bonham explained that, based on prior months, average job losses have been approximately 10,000 per month, a pattern that has persisted over the past three months. In his view, this indicates that the U.S. economy is no longer adding jobs and that the labor market has effectively stalled. He noted the resulting dichotomy: strong GDP growth—driven in large part by continued investment in artificial intelligence—occurring alongside stagnant employment growth.

Ms. Bennett stated that, with respect to FY2026 and the impacts previously discussed by the Council, she anticipates that some consequences will occur, although they may not fully materialize until the next fiscal year. She also concurred with earlier comments from Dr. Bonham and Ms. Maynard regarding the strength of the GET component, noting that TAT revenues have been more than sufficient to offset declines in the personal and corporate income tax categories.

Ms. Bennett expressed some concern about the current forecast of -4.7 percent and indicated she would be comfortable adjusting it upward at this time, particularly given that FY2026 is nearing its end.

Mr. Hamasu shared his perspective, agreeing with Ms. Bennett that he does not expect substantial changes over the next few months. He also observed that if uncertainty continues beyond that period, the State's markets may be significantly affected, including the potential for declines in tourism and increased inflation driven by higher oil prices.

Dr. Bonham agreed with Mr. Hamasu's comments regarding the inflationary effects of rising oil prices. He explained that the impact would occur through increases in the cost of energy-related goods and services. As the general excise tax is applied to nominal values, he noted that this could actually lead to a modest increase in tax revenues in the near term.

Mr. Kawafuchi asked the Council if there was a motion for the current fiscal year.

Dr. Bonham moved to adopt a -4.5% growth rate for FY2026.

Ms. Maynard seconded the motion to adopt the -4.5% growth rate for FY2026.

Mr. Kawafuchi asked if there was any further discussion.

There being none, a vote was taken.

The motion carried unanimously.

It was moved by Dr. Bonham and seconded by Ms. Maynard that the General Fund growth rate forecast be -4.5% 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
Michael Hamasu	Yes
Marjorie Bennett	Yes

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

Mr. Kawafuchi asked if anyone on the Council would like to begin the discussion for FY2027.

Dr. Bonham stated that his inclination was to leave the forecast unchanged and to have the Council's letter acknowledge the uncertainty that currently exists.

He added that the Council should not substantially raise or lower the forecast at this point based on only a couple of weeks of oil-price volatility.

Mr. Hamasu asked Dr. Bonham whether conflicts in the Middle East have historically lasted longer than one to three weeks.

Dr. Bonham responded that he was not sure how to compare the current situation with previous events.

Mr. Kawafuchi then asked the Council if there was a motion for FY2027.

Mr. Hamasu moved to maintain the existing forecast of 2.0% for FY2027.

Ms. Bennett seconded the motion.

Mr. Kawafuchi asked if there was any further discussion.

There being none, a vote was taken.

The motion carried unanimously.

It was moved by Mr. Hamasu and seconded by Ms. Bennett that the General Fund revenue growth rate forecast be set at 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
Michael Hamasu	Yes
Marjorie Bennett	Yes

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

Mr. Kawafuchi invited members of the Council to begin the discussion regarding forecasts for FY2028 through FY2032.

Ms. Maynard recommended maintaining the existing projections for FY2028 through FY2032, noting that recent Council discussions did not indicate a need for adjustments.

Dr. Bonham concurred, stating that no new information had emerged that would warrant revising the out-year forecasts.

Ms. Bennett added that forecasting further into the future involves considerable uncertainty, and given this, she was comfortable keeping the out-year estimates unchanged.

Ms. Bennett moved to retain the current forecast for FY2028 through FY2032.

Ms. Maynard seconded the motion.

Mr. Kawafuchi asked if there was any additional discussion.

There being none, the Council proceeded to a vote.

The motion passed unanimously.

It was moved by Ms. Bennett and seconded by Ms. Maynard that the General Fund revenue growth rate forecast be set at 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
Michael Hamasu	Yes
Marjorie Bennett	Yes

REPORT BY THE DEPARTMENT OF BUDGET & FINANCE ON NON-TAX AND SPECIAL TAX REVENUE PROJECTIONS PRESENTED BY MR. GREGG HIROHATA-GOTO:

Mr. Gregg Hirohata-Goto provided the Council with a Department of Budget & Finance (B&F) report of revised projections for general fund non-tax revenues, non-general-fund tax and non-tax revenues since the January 7th meeting. In his presentation, Mr. Hirohata-Goto highlighted the significant changes regarding non-revenue receipts, and Federal Grants.

It was moved by Mr. Hayashi and seconded by Mr. Hamasu to adopt the Department of 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
Michael Hamasu	Yes
Marjorie Bennett	Yes

NEXT MEETING:

The Council tentatively agreed to meet on Thursday, May 21, 2026, at 2 p.m. for the General Fund forecast.

ADJOURNMENT:

The meeting adjourned at 3:18 p.m.