

## **COUNCIL ON REVENUES**

### **General Fund Meeting Minutes** **Wednesday, March 12, 2025**

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

Wednesday, March 12, 2025  
2:00 p.m.

#### **PRESENT:**

Council Members:

Kurt Kawafuchi, (Chair), Kristi Maynard (Vice-Chair), Carl Bonham,  
Scott Hayashi, Wendell Lee, Mike Hamasu, Regina Ostergaad-Klem

Staff Members:

Department of Taxation: Director Gary Suganuma, Deputy Kristen Sakamoto,  
Seth Colby, Yvonne Chow, Baybars Karacaovali, 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). The Council acknowledge testimony submitted regarding:

1. Support of Increased General Fund Revenue Allocation; Mana Mahi'ai Native Nursery

#### **APPROVED MINUTES OF THE MEETING OF JANUARY 8, 2025:**

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

**It was moved by Ms. Maynard and seconded by Mr. Hayashi that the minutes of the January 8th meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:**

|                              |            |
|------------------------------|------------|
| <b>Kurt Kawafuchi</b>        | <b>Yes</b> |
| <b>Kristi Maynard</b>        | <b>Yes</b> |
| <b>Carl Bonham</b>           | <b>Yes</b> |
| <b>Scott W. Hayashi</b>      | <b>Yes</b> |
| <b>Wendell Lee</b>           | <b>Yes</b> |
| <b>Mike Hamasu</b>           | <b>Yes</b> |
| <b>Regina Ostergaad-Klem</b> | <b>Yes</b> |

**REVIEW OF REVENUES BY DR. SETH COLBY, TAX RESEARCH & PLANNING OFFICER:**

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

1. Preliminary Comparative Statement of State General Fund Tax Revenues for February 2025.
2. Monthly GET Revenues
3. Individual and Corporate Collections
4. General Fund Collections
5. Major Developments Since January Meeting
  - a. Larger corporate refunds resulted in lower corrections
    - i. CIT refunds YTD 2025: \$164M
    - ii. CIT refunds YTD 2024: \$55M
  - b. Individual income filers are either claiming more refunds or doing so earlier in filing season
    - i. CIT refunds YTD 2025: \$458M
    - ii. CIT refunds YTD 2024: \$393M
  - c. Withholding declines are close to revenue estimates
    - i. WH on Wages down \$20-30M per month
    - ii. DOTAX estimated a loss of \$41.2M per month
  - d. No signs of economic slowdown
    - i. GET and TAT collections are increasing relative to 2024
6. Additional Fiscal Development in FY2025
  - a. The State will issue hazard pay settlement for State employees due to collective bargaining agreement. Estimated Income Boost: \$537 million
    - i. Two Equal Payments October 2024 and March 2025
  - b. Expected FY 2025 revenue gain:
    - i. IIT: \$40.2 million
    - ii. GET: \$10.7 million

- iii. Total: \$50.9 million
- c. Estate tax collections in September 2024 were \$315 million larger than normal
- 7. 2024 Legislation – Individual Income Tax
  - a. Act 46, SLH 2024 (HB2404, HD1 SD1 CD1) RELATING TO INCOME TAX
    - i. Includes macroeconomic impacts and additional tax revenue from increased income
    - ii. Incorporates changes to withholding tables beginning Jan 1, 2025
- 8. Table 1: Summary Table Estimates of General Fund Tax Revenues: FY 2025 to FY 2031
- 9. Current Council on Revenues Forecast – January 8, 2025  
[\[PRESENTATION AVAILABLE ON COR WEBSITE\]](#)

**DISCUSSION AND VOTE ON THE GENERAL FUND TAX REVENUE FORECAST FOR FISCAL YEAR 2025:**

Dr. Bonham started the discussion for the General Fund tax revenue forecast for FY2025.

Dr. Bonham stated that he would be inclined to a forecast for fiscal year 2025 for about 100 to 150 basis points lower from what the Council had in their previous forecast.

Dr. Bonham compared his forecast to the Council mean forecast and shared that his forecast was the highest growth which was due to construction.

Dr. Bonham stated that for fiscal year 2025 he had a construction growth of 15%.

Dr. Bonham also expressed his concern for inflation of the Council mean which shows a long trend downward.

Mr. Kawafuchi asked the Council if there was any further discussion for FY2025.

Mr. Lee thinks that a lower forecast of one hundred basis points a percentage point seems reasonable due to the credits affecting of tax collections.

Ms. Ostergaard-Klem asked Dr. Bonham for clarification regarding construction collections.

Dr. Bonham responded that the smaller projects would impact FY2025 while larger projects that has not been built yet would impact FY2026 due to the uncertainty of cost for materials which may be caused by tariffs.

Mr. Hamasu said that for near-term fiscal year end the State would not see to many changes and is more concerned of what would happen at the end of the year.

Mr. Kawafuchi asked Dr. Bonham if he would like to make a motion for FY2025.

Dr. Bonham motioned to lower the Council current forecast of 6.4% to 5.0%.

Ms. Maynard seconded the motion for 5.0% for FY2025.

**It was moved by Dr. Bonham and seconded Ms. Maynard that the General Fund growth rate forecast be 5.0% FY2025. The Chair called for the vote, and the motion passed with the following votes:**

|                               |            |
|-------------------------------|------------|
| <b>Kurt Kawafuchi</b>         | <b>Yes</b> |
| <b>Kristi Maynard</b>         | <b>Yes</b> |
| <b>Carl Bonham</b>            | <b>Yes</b> |
| <b>Scott W. Hayashi</b>       | <b>Yes</b> |
| <b>Wendell Lee</b>            | <b>Yes</b> |
| <b>Mike Hamasu</b>            | <b>Yes</b> |
| <b>Regina Ostergaard-Klem</b> | <b>Yes</b> |

**DISCUSSION AND VOTE FOR THE GENERAL FUND TAX REVENUE FORECAST FOR FY2026:**

Mr. Kawafuchi asked Dr. Bonham to start the discussion for FY2026.

Dr. Bonham started by sharing his forecast of -1.8% which he stated that it is not fully reflective of the uncertainty surrounding FY2026.

Dr. Bonham said the Council has a good basis in the Council's mean forecast.

Ms. Maynard shared her concerns regarding tariffs and its uncertainty and her concerns with the wealth effect from the stock market being down which could affect and people's propensity to spend.

Ms. Maynard motioned for -2.0% growth rate for FY2026.

Dr. Bonham seconded the motion for -2.0% growth rate for FY2026.

Mr. Kawafuchi asked the Council if there was any further discussion for FY2026.

Mr. Hayashi and Ms. Ostergaard-Klem agreed that -2.0% growth rate for FY2026 was reasonable.

Mr. Hamasu expressed his concern which would be influenced by his industry that its growth rate could be worse at around -2.25% to -2.50%.

Mr. Kawafuchi asked the Council if there was any further discussion or revision to the motion.

Ms. Ostergaard-Klem asked about visitor arrivals and its effects.

Dr. Bonham responded that there is not much concern regarding visitor arrivals.

Ms. Maynard amended her -2.0% motion to -2.25% growth rate for FY2026.

Mr. Hayashi seconded the amended motion for -2.25% growth rate for FY2026.

**It was moved by Ms. Maynard and seconded by Mr. Hayashi that the General Fund revenue growth rate forecast be -2.25% for FY2026. The Chair called for the vote, and the motion passed with the following votes:**

|                         |            |
|-------------------------|------------|
| <b>Kurt Kawafuchi</b>   | <b>Yes</b> |
| <b>Kristi Maynard</b>   | <b>Yes</b> |
| <b>Carl Bonham</b>      | <b>Yes</b> |
| <b>Scott W. Hayashi</b> | <b>Yes</b> |

|                               |            |
|-------------------------------|------------|
| <b>Wendell Lee</b>            | <b>Yes</b> |
| <b>Mike Hamasu</b>            | <b>Yes</b> |
| <b>Regina Ostergaard-Klem</b> | <b>Yes</b> |

**DISCUSSION AND VOTE FOR ON THE GENERAL FUND TAX REVENUE FORECAST FOR FY2027 THROUGH FY2031:**

Dr. Bonham shared the Council's current forecast of 2.9% for FY2027, 2.5% for FY2028, 2.6% for FY2029, 1.9% for FY2030, and 3.1% for FY2031.

Dr. Bonham motioned to leave the out years unchanged from its forecast of 2.9% for FY2027, 2.5% for FY2028, 2.6% for FY2029, 1.9% for FY2030, and 3.1% for FY2031.

Ms. Maynard seconded the motion to leave the out years unchanged from its forecast of 2.9% for FY2027, 2.5% for FY2028, 2.6% for FY2029, 1.9% for FY2030, and 3.1% for FY2031.

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 revenue growth rate forecast be 2.9% for FY2027, 2.5% for FY2028, 2.6% for FY2029, 1.9% for FY2030, and 3.1% for FY2031. The Chair called for the vote, and the motion passed with the following votes:**

|                               |            |
|-------------------------------|------------|
| <b>Kurt Kawafuchi</b>         | <b>Yes</b> |
| <b>Kristi Maynard</b>         | <b>Yes</b> |
| <b>Carl Bonham</b>            | <b>Yes</b> |
| <b>Scott W. Hayashi</b>       | <b>Yes</b> |
| <b>Wendell Lee</b>            | <b>Yes</b> |
| <b>Mike Hamasu</b>            | <b>Yes</b> |
| <b>Regina Ostergaard-Klem</b> | <b>Yes</b> |

**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 January 8th meeting. He provided a written report summary of significant changes in revenues from Revenues from use of money and property, Transfer of General Excise Tax, and Non-Revenue Receipts.

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

|                               |            |
|-------------------------------|------------|
| <b>Kurt Kawafuchi</b>         | <b>Yes</b> |
| <b>Kristi Maynard</b>         | <b>Yes</b> |
| <b>Carl Bonham</b>            | <b>Yes</b> |
| <b>Scott W. Hayashi</b>       | <b>Yes</b> |
| <b>Wendell Lee</b>            | <b>Yes</b> |
| <b>Mike Hamasu</b>            | <b>Yes</b> |
| <b>Regina Ostergaard-Klem</b> | <b>Yes</b> |

**NEXT MEETING:**

The Council tentatively agreed to meet on Wednesday, May 21, 2025, at 2 p.m.

**ADJOURNMENT:**

The meeting adjourned at 3:53 p.m.