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Hawaii State House Minority: Proposed Excessive Tax Hikes Are Bad for Hawaii

By Michele Van Hessen, 4/14/2009 2:28:25 PM

The six Hawaii House Republicans issued this statement today during the second legislative crossover about the tax hikes endorsed by the majority of the House Democrats:

We can all agree that our State is experiencing one of the worst economic downturns in its history. This 2009 Legislature has made numerous efforts to remedy this situation. Unfortunately, these efforts have resulted in high tax increases and anti-business legislation that will hurt rather than help our floundering economy.

Minority Leader Lynn Finnegan points out, "The sentiment in the House right now is that these tax increase bills will only affect high-income households, but this is simply not true. The proposed tax increases will hurt anyone who has a car in their garage or puts gas in their tank. It will hurt anyone who orders a book on the internet or visits family interisland. In short, it hurts everyone."

In the mix of these potentially detrimental tax increase bills are Senate Bill 1611 and House Bill 1271, which add a 10 cent tax to liquid fuel and an increase of the tax on barrels of petroleum sold by distributors respectively. In addition to an increased vehicle registration fee also included in Senate Bill 1611, these increases ask Hawaii drivers to carry a very heavy burden in these troubled times.

Similarly, Senate Bills 1678 and 1111 discourage any potential increase in spending that could stimulate this economy by taxing all goods purchased over the internet or through mail-order in addition to any spending on airfare, hotels, etc.

"Our tourism industry is scrambling for visitors, who will stay longer and spend more money in local businesses. Yet, as hotels lower their rates, we raise taxes to make up the difference," Representative Gene Ward said. "Raising the transient accommodations tax will directly oppose efforts to stimulate our State's biggest source of income."

Senate Bill 199, by itself, shows this Legislature's determination to tax all the people of Hawaii. "This bill suggests a two-year repeal of all tax credits, including the high tech and film industry credit," Representative Barbara Marumoto explained. "Alone, this bill would destroy any sense of entrepreneurship or innovation that could bring revenue to our State; no one will want to do business in Hawaii."

"Appearing anti-business in the present climate would only plunge Hawaii further into economic hardship," Representative Kymberly Pine said. "These measures do little more than place a 'Closed' sign over our entire State, telling businesses that we, as a State, are not interested in any of the jobs or revenue that they could contribute." These bills do not simply affect high-income families. Rather, they directly tax average citizens, who are already struggling to pay their bills. Indirectly, citizens of Hawaii will suffer through job losses and pay cuts as businesses fight to survive or just shut down and die in Hawaii's anti-business environment.

As President Lincoln once said, "You cannot strengthen the weak by weakening the strong ... You cannot build character and courage by taking away men's initiative and independence." Thus far, this Legislature has done just that. We have attempted to remedy our financial situation by crippling the very people who could fix it. Make no mistake. These measures will affect every citizen of Hawaii.

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