



Working Together for Hawaii

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Hawaii Government Employees Association
AFSCME Local 152, AFL-CIO

The Twenty-Third Legislature, State of Hawaii
Hawaii State Senate
Committee on Transportation and Government Operations
Committee on Intergovernmental Affairs

Testimony by
HGEA/AFSCME Local 152, AFL-CIO
February 7, 2006

S.B. 2814 - RELATING TO TAXATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of S.B. 2814. This measure would require the City and County of Honolulu to be responsible for the collection of the county surcharge on the gross excise tax to fund a mass transit system on Oahu.


In our view, it simply does not make any sense to duplicate services that are already being performed by the State Department of Taxation and require any county to collect the excise tax surcharge. It is more prudent to provide whatever additional resources may be needed to the State to have existing staff collect the surcharge. In an era of greater public scrutiny regarding the size of government, we advocate that this proposed duplication is unnecessary and ill-advised.

Further, we must believe that separating the excise tax collection between two government entities is a burden to business. Where currently businesses collect the excise tax and pay one entity, the State, we anticipate that these businesses will have to retool their processes to now allow for paying the surcharge to a county, while the balance of tax collected would go to the State. We consider this a ridiculous complication for the business community, which may well increase their costs.

Finally, we strongly oppose the concept contained in the bill of a private entity collecting the county surcharge for the City and County. This proposal is simply bad public policy. The collection of taxes and the highly sensitive information contained in tax returns must remain under government control at all times. Along with providing police and fire services for the public safety, tax collection is a basic component of government services. It is unthinkable and inappropriate to have this core government function handed off to a private entity.

For these important reasons, we strongly urge that S.B. 2814 be filed.

Respectfully submitted,

 Randy Perreira
Deputy Executive Director