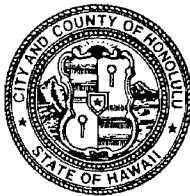


DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
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MUFI HANNEMANN  
MAYOR



MARY PATRICIA WATERHOUSE  
DIRECTOR

PATRICK T. KUBOTA  
DEPUTY DIRECTOR

February 6, 2006

The Honorable David Y. Ige, Chair and  
Members of the Committee on Intergovernmental Affairs  
The Honorable Lorraine R Inouye, Chair and  
Members of Committee on Transportation and Government Affairs  
The Twenty-Third Legislature  
State Capitol, Room 215  
Honolulu, Hawaii 96813

Dear Chairs Inouye, Ige and Committee Members:

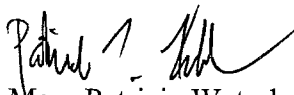
Subject: S.B. 2814 Relating To Taxation

The City and County of Honolulu supports Senate Bill 2814 that allows the counties to levy and collect a surcharge on state tax. The ability to fund a mass transit system will allow for a viable transportation alternative for commuters on Oahu. This project is urgently needed to provide relief from the traffic problems that are increasing in Honolulu.

The City and County of Honolulu has been working closely with the State Department of Taxation and our own Treasury Division to ensure that the proper systems, services, and procedures are in place as we do not have the expertise or resources to accomplish this on our own by January 1, 2007 to collect and process the surcharge.

Thank you for providing the City and County of Honolulu with the opportunity to testify in support of this bill. If there are any questions, please call me at 523-4617.

Sincerely,

  
for Mary Patricia Waterhouse, Director  
Budget and Fiscal Services