

Curt H. Takamiya

From: Michele N. McLean
Sent: Tuesday, June 20, 2023 8:42 AM
To: Alice L. Lee
Cc: Mona A. Perry; Curt H. Takamiya
Subject: GET notes
Attachments: GET notes.docx

Good morning Alice,

Here are summary notes from the info we got from Kauai and Hawaii on their use of the GET surcharge. They are printed below and attached in case you wanted them printed (Curt or Mona can print since I'm working from home today due to the construction). Please let me know if you need anything else, and I'll be sure to forward you anything we get from Scott or Honolulu.

Big Island

FY19: \$10.1 million generated from 6 months at ¼%
FY20: \$37.9 million generated from 6 months at ¼% and 6 months at ½%
FY21: \$50.2 million generated from 12 months at ½%
FY22: \$63.7 million generated from 12 months at ½%
FY23 (through February): \$45.7 million, estimated full-year is \$68 million

- Funds must be used for transportation-related expenditures; they use it for:
 - Mass transit systems
 - Pay debt service on bonds related to transportation
 - Fund transportation-related CIP – transportation projects and emergency road and bridge repairs
- Funds have freed-up GO bond funds to do needed wastewater system improvements
- They received a bond rating increase in part due to the new TAT and GET revenue
- While pre-surge testimony expressed concerns over the tax being regressive, they have heard no complaints from individuals or organizations since it has been imposed

Kauai

FY24: estimated GET revenue is \$46 million, to be spent on transportation projects:

- \$18.5 million on CIP for roads and bridges
- \$17.1 million on road operations, resurfacing, repairs
- \$10.5 million on transportation (other)

FY19-22: 80% of GET funds were used to resurface an average of 30 lane miles per year, which means they can resurface every county road every 20 years. It has reduced the repair backlog and is setting them on a path to accomplish the recommended maintenance schedule.

- They haven't issued GO bonds since 2017

- They saw a significant decline in GET revenue during the pandemic when there were travel restrictions so they believe much of the tax is carried by visitors
- Like the Big Island, while pre-surchage testimony expressed concerns over the tax being regressive, they have heard no complaints from individuals or organizations since it has been imposed (they think consumers didn't even notice)

Aloha,
Michele.

*Michele McLean, AICP
Office of Council Chair Alice Lee
Office: 808-270-7641*

NOTES ON GET SURCHARGE

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