

Budget, Finance, and Economic Development Committee (2023-2025) on 2023-06-26 6:00 PM

Meeting Time: 06-26-23 18:00

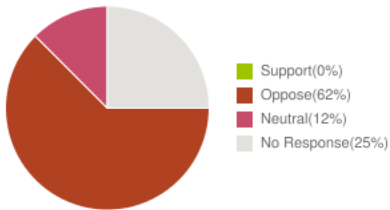
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Budget, Finance, and Economic Development Committee (2023-2025) on 2023-06-26 6:00 PM	06-26-23 18:00	2	16	0	10	2

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment

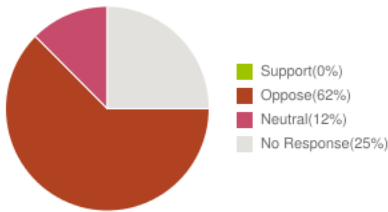


Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	3	0	2	0
BFED-74 CC 20-115 GENERAL EXCISE AND USE TAX SURCHARGE (BFED-74)	13	0	8	2

Sentiments for All Agenda Items

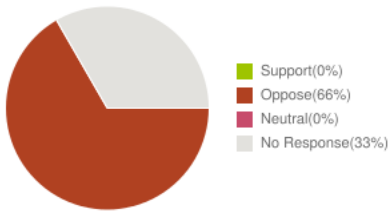
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for A G E N D A

Overall Sentiment



Guest User

Location:
 Submitted At: 4:37pm 06-26-23

aloha. I certainly oppose any surcharge increase on the 4 percent GE tax. I'm speaking from the housing angle, as I am a ge holding, ge tax paying landlord, dutifully (great word, as it applies here) paying my 4 percent on my retail income for 3 decades now. I also know very very well (im a 60 year maui kaama'aina-knowing a lot of residents- and have a line work that allows me to see this income to tax payment mismatch first hand) that there is a large population of homeowners/landlords in Maui County that do not hold a GE license and are happily pocketing their rental income without paying their 4 percent. situations where they are mortgage free, or collect rental income 4-5 times their mortgage note, for years. now, rather than increase what the tax compliant landlords are paying, I see a solution or alternative to that. Perhaps if the county got a task force together to spend some time with the public county tax map key records, look at what people have done with their properties (cottages, ohanas, or even if the owner live there at all) and then connect the dots and determine there are GE licenses associated with all these rentals. i'm sure

Maui County is being fleeced to the tune of high 100,000.00's to possibly 7 figures per year of the unreported and uncollected 4 percent taxes due. Logic suggests to collect that, this would easily outweigh the income of the .5 percent increase on the table. We all know it's harder and harder to make ends meet here, this proposal only puts another nail in the cost of living coffin... mahalo for your time

Kathleen Kearns

Location:

Submitted At: 8:08am 06-23-23

I am a primary care physician. In consideration of the GET rate increase, please consider exempting medical and other healthcare practices. Hawaii is a very difficult state for private practice physicians to stay in business, especially primary care physicians. This is one contributing factor to our physician shortage here on island, and in the state. Health care providers, physician practices could be exempt from the tax.

Guest User

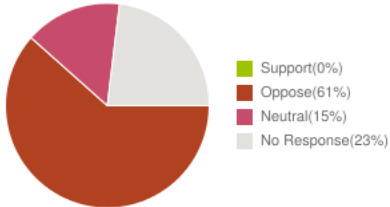
Location:

Submitted At: 2:43pm 06-21-23

Local Maui Businesses are already taxed an extremely high rate here in Maui county. Between GET tax, state taxes and federal taxes there isn't much money leftover for the business-owner to take home. To compensate, the business own MUST raise their prices, which increases the costs of their goods and services for everyone in Maui County. There are other ways to find the funding for affordable housing that don't involve raising the price of goods and services for everyone. We are all already stretched so thin with inflation.

Agenda Item: eComments for BFED-74 CC 20-115 GENERAL EXCISE AND USE TAX SURCHARGE (BFED-74)

Overall Sentiment



Dick Mayer

Location:

Submitted At: 4:12pm 06-26-23

Funds should be used for housing not infrastructure. Impact fees should be utilized to provide for the infrastructure. Please see the attachment.

Mahalo, Dick Mayer

BFED Committee

Location:

Submitted At: 2:14pm 06-26-23

Testimonies received from BFED Committee

Guest User

Location:

Submitted At: 11:13am 06-26-23

Please don't even think about raising the GET! It's a grossly regressive tax and badly hurts local residents. If you want money for housing infrastructure, try cutting things like your \$40 million cultural center. The fact that the Council is even considering this is a smack in the face to all local residents. Try representing us instead of taxing

us to death!

Stan Franco

Location:

Submitted At: 10:46am 06-26-23

I have been a housing advocate for the past 35 years because we have not delivered homes for our local residents and many local families are moving away to the US mainland for a better life. While targeting these new funds for affordable housing projects is wonderful, any GET increase in taxes will be mostly impactful on those of very low to middle income, who are already struggling to keep up with the costs for housing, food, gas, medical care and others. In the Comprehensive Affordable Housing Plan created on July 19, 2021, the funding for building the affordable homes for our people would be generated from property taxes on high priced real properties primarily owned by outside investors of Maui's real estate. For me this latter way of raising funds to build the homes our people need would be preferable than raising the GET surcharge of 0.5% because of its adverse impact on our local people. Please consider carefully how we, the County of Maui, will raise the moneys needed to pay for the lack of affordable homes we all are experiencing. Mahalo.

Scott Grosskreutz

Location:

Submitted At: 8:25am 06-25-23

Maui County is frequently in the news for our severe shortages of healthcare providers, including lack of mental healthcare providers on Lanai, shortage of primary care professionals on Molokai and the lack OBGYN in private practice who no longer will be delivering babies on Maui. The GET is a death tax figuratively for many medical practices, and can literally result in death for residents of Maui County who do not have access to healthcare services. If the GET surcharge is considered please exempt healthcare services from the GET surcharge. All healthcare services provided by hospitals, nonprofits and their employed providers are already exempt.

<https://www.civilbeat.org/2023/01/its-horrendous-the-deaths-of-2-doctors-deepen-the-void-in-rural-health-care-access/>

N

<https://www.hawaiiinewsnow.com/2023/03/30/mauis-only-private-obstetrics-practice-will-soon-stop-services/>

<https://www.mauinews.com/news/local-news/2023/03/maui-physicians-back-bill-to-lessen-their-tax-burden/>

<https://www.civilbeat.org/2022/10/why-this-hawaiian-island-has-to-outsource-psychiatric-care/>

Hawaii Provider Shortage Crisis Task Force

Zachary Thielen

Location:

Submitted At: 10:15pm 06-23-23

Dear Honorable Representatives of the County Council,

I continue to strongly oppose implementing a general excise tax surcharge.

In addition to my previously posted testimony, I wanted to respond to comments made during the last hearing on 6/20/23. The honorable Chairwoman Alice Lee and Finance Director Scott Teruya seemed to imply much of the tax burden would be born by visitors to Maui with estimates of "30%" coming from the visitor industry. Lets take a closer look and really evaluate how this breaks down.

It is estimated this tax will bring in around \$80 million dollars a year ("Maui Is Set To Join Other Counties In Raising Taxes To Pay For Roads And Housing". Civil Beat. <https://www.civilbeat.org/2023/06/maui-is-set-to-join-other-counties-in-raising-taxes-to-pay-for-roads-and-housing/> .Accessed 6/23/2023).

Maui county had 2.9 million visitors in 2022.

Visitors spent \$5.69 Billion dollars in Maui County in 2022.

("2.9M visitors to Maui spent \$5.69B in 2022". The Maui News. <https://www.mauinews.com/news/local-news/2023/02/2-9m-visitors-to-maui-spent-5-69b-in-2022/> . Accessed 6/23/2023.)

Maui County Population: 164,351 (estimated population on July 1, 2022. United States Census Bureau. <https://www.census.gov/quickfacts/mauicountyhawaii>)

Lets do the math:

$\$5.69 \text{ billion in visitor spending} \times 0.5\% = \$28,450,000$ paid in taxes by visitors but keep in mind this expense is spread out among 2.9 million visitors, a number that significantly dwarfs our population in the county.

$\$28,450,000$ divided by 2.9 million people = $\$9.81$ This GET surcharge will add an extra $\$9.81$ on average to each tourists trip to Maui for the year.

Now lets look at how it affects residents of Maui County.

Surcharge is estimated to bring in $\$80,000,000$ with $\$28,450,000$ paid by visitors so:

$\$80,000,000 - \$28,450,000 = \$51,550,000$ covered by local residents but this much larger tax bill is shared by only 164,351 people

$\$51,550,000$ divided by 164,351 people = $\$313.66$ per person per year in increased tax on average for Maui Residents.

Each visitor will pay $\$9.81$ per year on average to the surcharge

Each resident will pay $\$313.66$ per year on average to the surcharge

This tax will not be felt by the visitor industry. It's going to be felt by residents.

Honorable Chairwoman Alice Lee also commented that 0.5% tax on spending "is nothing". I highly disagree and think it is insulting to each and every citizen of Maui county from our Kupuna on fixed income to our young families trying to get a foothold.

If a 30 year old resident put that money into a 401k with employer match each year until retiring at age 65 they would have $\$86,055$ more in their retirement account assuming a 6% rate of return. Or they could put a child through college.

$\$313.66$ a year for our kupuna on fixed income could determine if they can afford their medication, or holiday meal etc.

With all due respect, I think this is a far cry from "nothing" dear honorable Chairwoman Alice Lee.

I oppose Bill 49. Raising the General Excise Tax would be a mistake and hurt our working class families on Maui worse than anyone. This tax immediately raises the cost of essential goods such as medicine, food and housing in our county which already has one of the highest costs of living. I implore the committee and council members to consider other means of increasing affordable housing on Maui. Partnerships with private industry, reducing red tape, allowing for accessory dwelling units on more properties, and higher density zoning would go a long way to creating truly affordable housing without passing the cost on to all residents in such a regressive and indiscriminate way.

I am also writing to inform you of one of the many unintended consequences on access to healthcare on Maui. Private practice physicians are required to pay the GE tax, a burden that no other state places on medical practices. I am the owner of Maui Orthopedic Institute LLC. We are an Orthopedic Surgery practice and have increased access to routine care and help to stabilize and maintain 24/7 orthopedic trauma coverage at Maui Memorial Medical Center. While most businesses pass the general excise tax on to consumers, private practice physicians can't pass the tax on to Medicare, Medicaid, or Tricare (Veterans Insurance) patients. Most private practices on Maui are barely scraping by due to inflation, rising overhead costs, and an inability to set our prices to keep up. Essentially all insurance reimbursements are pegged to Medicare rates which have continued to decline. We have already seen the only private Obstetrics and Gynecology practice on Maui discontinue providing obstetric care for the community due to the cost and poor reimbursement. If Bill 49 is passed I believe that many local private practices will continue to close. Physicians have 49 other states to practice in without this burden, almost all of which are also in lower cost of living areas.

Please consider these consequences and vote no on Bill 49.

Sincerely,
Zachary Thielen MD, FAAOS
Owner
Maui Orthopedic Institute LLC

Guest User

Location:
Submitted At: 9:42am 06-23-23

Subject: Committee to discuss Maui general excise tax surcharge, June 26 : Maui Now

Aloha to all -

For myself, don't take issue with Maui County proposed excise sales tax as long as the funds are used for ehst they are intended for. Along with the interest from. In my understanding! the discussion goes to the County of Maui voters. Not the Maui County Council Board. Who's jurisdiction does Bill 49 fall into. The voters of County Maui.

Leo Thiner

Guest User

Location:
Submitted At: 8:01am 06-23-23

Absolutely oppose surcharge. Additional taxes in an economy starting to falter is unwise. I am a B&B owner and for the 1st time in 13 years, my future bookings are 1/4 of what they have been starting this September and into next year. I can see the future of the economy based on my booking rate, and another tax on everyone is a bad idea right now. Even more, this surcharge will tax everyone's food, medical expenses, and other basic needs that should never be taxed one cent.

Guest User

Location:
Submitted At: 7:13am 06-23-23

I oppose the GET tax increase for us residents that live and work here on Maui.
Please find a way to get this xtra money from the visitor, second home owners, the vacation rental industry and all the Airbnb rentals that are driving the cost of housing up here on island.
The cost of living here is out of control and should be reduced any way you can.
Please vote NO to this increase.
Mahalo
haikujoe@hawaii.rr.com

Guest User

Location:
Submitted At: 1:48pm 06-22-23

I oppose the GET increase. As others have commented here, the residents of Maui County (and State of Hawaii) do not need an increase of anything now. We are all struggling... some more than others. This will affect the RESIDENTS who pay GET on their income and living costs for all of us. And, give local residents another reason to move from their home, Maui.

Guest User

Location:
Submitted At: 9:18am 06-22-23

Aloha - I am opposed to the increase of .5% tax for Maui County. Residents are already struggling to get by and the addition of more tax will make it worse. The costs for general infrastructure should be the responsibility of the Council and state government to plan and budget appropriately and accordingly. If there are not funds in the budget for these items, then the council should consider reallocation from other items. Why should resident pay for the government's inability to plan correctly? Why should residents who are making ends meet and covering

their own expenses for housing be asked to then step up and help underwrite general housing fees/infrastructure? Making those who are already contributing contribute more is unethical and unfair.

Guest User

Location:

Submitted At: 7:55am 06-21-23

I want to testify regarding the possible additional .5% tax increase for Maui County. I am very opposed to this idea. I agree that we need to help out with affordable housing, but raising the cost of doing business will have the opposite effect. Hawaii has a very regressive tax with our excise tax set up. Every level of business has to pay the excise tax, thus adding multiple layers of taxes for all businesses.

.5% seems like a small amount now, but it adds up over the long run to all levels of business. Middle income residents and low income residents, end up paying more than their fair share of these taxes, on food, medicine, clothing, school supplies and housing. You will be taxing the people who need the help the most.

Look "outside the box" to help support affordable housing. Added taxes are the easiest to suggest, but can do the most damage to all of our residents. Please do not add to our tax burden.

Linda Kay Okamoto

808-559-0200

Ben Walin

Location:

Submitted At: 6:58am 06-21-23

Aloha.

I continue to oppose this increase. I have noticed that the money could go towards items like the Bus program. That program needs to be reassessed. I suggest an audit be done on to understand what is the cost per rider. My perception is that the country could get everyone an uber and save money. But that is just an opinion from looking into the bus as it passes by with one or two people on it. Please don't raise taxes.

To: Members of the Maui County Council June 26, 2023

From: Dick Mayer

RE: BILL 49: Potential GET Tax for Infrastructure

As Bill 49 is now structured, taxes collected from the additional GET tax will be utilized **only to provide infrastructure** for affordable housing. I am requesting that Bill 49 be altered to provide greater resources directly and only for affordable housing.

MY ALTERNATIVE RECOMMENDATIONS

#1 The Council should implement the much talked-about, but never implemented impact-fees that can be used directly for the construction of needed affordable housing infrastructure. Impact fees are collected largely from out-of-state investors building shopping centers, hotels, timeshares, condos, McMansions, etc. Affordable housing could easily be made exempt from impact fees.

#2 The GET tax revenues should be reserved for ONLY the actual construction of housing, both rentals and for-sale.

Background and Justification for these Recommendations

For #1 Previous Councils authorized the expenditure of considerable funding to establish an Impact-Fee ordinance for Maui County. The studies were completed in 2013 by consulting firms with an advisory committee of community members. However, Mayor Arakawa refused to send the study to the County Council in a timely manner, and no action was taken to implement the impact fees. (Note: I was a member of that community advisory committee and have copies of the completed implementation fee study.)

Then about a year ago Planning Director Michele McLean stated that by the end of 2022 she would update the previous studies to reflect inflation costs. I do not believe that her update was completed, nor that any updated study or proposed ordinance was transmitted to the County Council for implementation.

For #2 It seems that it would be much better if we could utilize the additional \$millions of GET revenues to directly support the construction of affordable/workforce housing. The funds could be utilized either for the actual construction of homes so that the cost would be lower. Or alternatively, the funds could be utilized to provide down payments for future homeowners and rental stipends/subsidies for those who wish to rent.

When considering how to expend the funds, substantial thought should be given to program efficiency and to the reduction of bureaucratic, administrative overhead.

BFED Committee

From: Jim Miller <jimmiller4@icloud.com>
Sent: Saturday, June 24, 2023 9:19 AM
To: BFED Committee
Subject: New tax

[You don't often get email from jimmiller4@icloud.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

I am not opposed to a new sales tax that is used to support the entire community from which it will be collected, but I am opposed to spending it on a small identified group such as low income housing. This population wide tax should be spent on services that support the entire population on Maui. Use it for police, fire, emergency services, road repair, schools, homeless and yes some for low income housing. Make it a part of the total revenue that supports the County.

James Miller
Kihei

Sent from my iPad

BFED Committee

From: Bette Belanger <belangerblue@gmail.com>
Sent: Sunday, June 25, 2023 6:55 AM
To: BFED Committee
Subject: Proposed GET tax increase

You don't often get email from belangerblue@gmail.com. [Learn why this is important](#)

BFED Committee:

The proposed GET tax increase of .5 percent will be most burdensome for residents in the lower income tax brackets. The only way that I would support this increase is if you exempt the tax for medical expenses.

Bette Belanger
Kihei, HI

BFED Committee

From: Stephanie Austin <stephandjim@aol.com>
Sent: Sunday, June 25, 2023 9:45 AM
To: BFED Committee
Subject: GET surtax

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The GET surtax is regressive: it affects low income families the most....important to keep in mind as the economic disparities only increase each year: as easily measured by the cost of housing.

I would support an increase IF: the surtax is removed from food and medicine, and from doctor and all medical services. Several surveys have shown that with low Medicaid and Medicare reimbursement rates, this cuts into the already narrow margin of medical providers, and is one reason given for our serious shortage.

Please allow food and medicines to be exempted from all GET taxes.

Thank you,

Stephanie Austin
Maui resident since 1973
Hawaii resident since 1957

BFED Committee

From: P. Denise La Costa <pdenise@lacostarealtyhawaii.com>
Sent: Monday, June 26, 2023 12:04 AM
To: BFED Committee
Subject: EXCISE TAX INCREASE TESTIMONY.

[You don't often get email from pdenise@lacostarealtyhawaii.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

Aloha BFED Committee Members,

As a 33.5 year resident of Maui, I am writing to express my ADAMENT OPPOSITION to the proposed GET surcharge. Over the past 2 years, the cost of living on Maui has increased more than 35% on everything, causing the buying power of the income that residents earn to decrease significantly. I recently heard that Maui has lost close to 30% of the (gig and resort-related) jobs held by local employees; from servers to grocery clerks, maids to postal workers and almost every position in-between. What business doesn't have a 'We are hiring' sign? How much more do the state and County expect us to wring out of a dollar? Think .05% is not much of an increase? If this proposed surcharge (which is just a synonym used to impose a tax increase) is added to EACH and EVERY single item, from prescriptions, rent, food, goods and services to groceries to gasoline that is purchased on Maui, the average household will have less and less on which to live. Maui will once again see an exodus of low to middle income wage earners as they will be pushed over the edge of surviving on Maui and land in the abyss of 'no longer surviving paycheck to paycheck'. It is already a sad state of affairs when more native Hawaiians live on the continental United States than in the Hawaiian islands.

Any surcharge you pass is just going to push more and more Native Hawaiians and kama'aina people out of the state, causing tax revenues to continue to decrease with fewer residents here.

There needs to be a review of what is absolutely necessary and what is a wish list. The absolutely necessary should have been budgeted for and covered in the current budget. The wish list items can be planned for and completed when more revenue/that is not a squeeze on locals— is received.

Perhaps this is the PUSH that Maui County needs to truly investigate and promulgate NEW industries that are NOT tourist/guest related?

O'ahu originally assessed their GET surcharge because SKYLINE, their rail system, went way over budget. Maui has no such reason for a surcharge. We should operate within the NEW budget, (just as we all have to live within our budgets) especially since the County Council and Mayor Bissen just reviewed and approved and Mayor Bissen JUST signed the 2023-2024 Maui County Budget.

PLEASE no more taxes, whether they are 'disguised ' as a surcharge or not.

Respectfully submitted,

P. Denise La Costa

iPhone reply

Sent with Aloha,
P Denise La Costa RB17578
(808) 280-2132 Call or Text
Pdenise@ LaCostaRealtyHawaii.com
2021-22 Realtor of the year-RAM
2022 Mana Wahine-Maui County

Please excuse typos and brevity.