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## THIRTY-THREE HAWAI'I ORGANIZATIONS SIGN-ON TO TAX FAIRNESS PLAN, URGE LAWMAKERS TO ADOPT

Bills that would enact the individual components of the overall plan, which could generate up to \$969.6 million in annual revenue, must be scheduled by committee chairs and advanced in concert.

**HONOLULU, Hawai'i** — In an open letter sent today to all 76 Hawai'i legislators, 33 members of the [Hawai'i Tax Fairness Coalition](#) ask lawmakers to adopt the proposals put forward by the coalition at the onset of the legislative session.

The letter, which is attached at the end of this press release, states:

We, the 33 undersigned civic organizations, nonprofits, government agencies and service providers, call on you to support tax fairness measures to avoid program and service cuts, government worker furloughs, and layoffs. These tax fairness proposals are designed to target profitable corporations and wealthy individuals who can afford to pay a little more to keep Hawai'i going strong during this pandemic...

By enacting [these] progressive revenue solutions, our state could collectively raise **\$547.3-\$969.6 million** in additional revenue without slashing government spending.

"It's critical that lawmakers find ways to avoid cuts to government services during the recession," said Gavin Thornton, Executive Director of [Hawai'i Appleseed Center](#). "The Great Recession taught us that cuts to government spending—right when working families need state support the most—deepen and prolong economic downturns."

Research confirms that, four years after the Great Recession, states where government spending was cut were still struggling to recover, while states where government spending remained the same or was increased had already bounced back and moved on. In Hawai'i, cuts to the budgets of nonprofit service providers—such as those providing mental health services—were particularly devastating.

"We are still seeing and feeling the impacts of those cuts today," said Christy MacPherson, Director of [PHOCUSED](#) (Protecting Hawai'i's 'Ohana, Children, Under-Served, Elderly, and Disabled). "Not only did those cuts have adverse impacts during the recession, they have remained in place to this day contributing to multiple public health crises, including our high rate of homelessness."



The 33 coalition organizations that signed onto the letter are calling on lawmakers to coordinate and work in concert to pass the complete suite of tax proposals through multiple legislative vehicles moving in both chambers.

“The economic crisis Hawai‘i faces today warrants bold action from our elected officials,” said Micah Hicks, [Economic Justice Action Committee](#) Chair for [Young Progressives Demanding Action](#) (YPDA). “These tax fairness proposals, if taken together, have the potential to not only shore up the state budget, but also to build the foundations for a brighter tomorrow.”

The proposals include:

- Raising income taxes on the richest 2 percent of Hawai‘i residents to offset the tax break handed down in the federal Trump tax cuts to the wealthy (\$12.6–\$100.2 million);
- Closing a loophole that allows those same wealthy residents to benefit from lower tax brackets meant for working families (\$18.5–\$153.9 million);
- Closing a loophole that allows capital gains to be taxed at a lower rate than other income (\$80.2 million);
- Lowering the tax exemption amount on wealthy inheritances to offset the tax break handed down in the federal Trump tax cuts to the wealthy (\$6.6–\$18.3 million);
- Establishing a single corporate income tax rate on profits (\$2.9–\$103 million);
- Closing a loophole that allows huge, multinational corporations to offshore profits into tax havens, giving them an unfair advantage over local businesses (\$38 million);
- Closing a loophole that allows powerful Real Estate Investment Trusts (REITs) to avoid paying corporate income taxes on their profits in Hawai‘i (\$30–\$60 million);
- Increasing the conveyance tax on the sale of millionaire mansions (\$17–\$71.5 million);
- Adding a 2 cent per ounce sugary drink fee to combat public health problems in Hawai‘i (\$65.8 million);
- Taxing e-cigarette products like traditional tobacco products and increasing the tax on cigarettes, which has remained stagnant over the past decade (\$21.1–\$24.1 million); and
- Suspending some General Excise Tax exemptions that primarily benefit large businesses (\$254.6 million).

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Created in 2017, the Hawai‘i Tax Fairness Coalition is a collection of organizations that endorse the principle that, for many Hawai‘i families, the key to self-sufficiency is letting them keep more of what they earn by creating a more equitable tax system. Learn more at [hitaxfairness.org/about](http://hitaxfairness.org/about)