



# AMERICANS *for* TAX REFORM

April 24, 2009

The Honorable Linda Lingle  
Governor, State of Hawaii  
Executive Chambers, State Capitol  
Honolulu, Hawaii 96813

RE: Veto of House Bill 1747, Senate Bill 1111, and House Bill 1741

Dear Governor Lingle,

**I write to urge your veto of a number of tax increases passed by the legislature, including House Bill 1747, Senate Bill 1111, and House Bill 1741.**

**Support of any of these tax hikes is a violation of your Taxpayer Protection Pledge, a commitment you made to the people of Hawaii to oppose and veto any and all tax increases.**

**House Bill 1747 will raise the personal income tax to the highest level in the United States, and will hit Hawaii residents and small businesses alike.** Well over two-thirds of small businesses file personal income tax returns. These small businesses are the lifeblood of Hawaii's economy and the state's primary job creator. However, House Bill 1747 would implement a top tax rate of a whopping 12% and make Hawaii's income tax the highest in the United States – soaring well above California's 10.3% rate.

**Increasing the hotel tax under Senate Bill 1111 from 7.25% to 9.25% will severely discourage tourism – Hawaii's largest industry.** These higher taxes will come on the heels of reports that show Hawaii's tourism sector has declined substantially due to the current economic recession. Hawaii's hotel occupancy rates in February dropped to 75% - the lowest level since 1991.

**Finally, House Bill 1741 will raise the tax on property sales and second homes.** The money would be diverted from dedicated funds – the rental housing and the natural area reserve funds – to the general fund to cover the state's excessive overspending problem.

**As a Taxpayer Protection Pledge signer and for the reasons above, I urge you to veto House Bill 1747, Senate Bill 1111, and House Bill 1741.** If you have any questions, please contact Kelly Cobb, state affairs manager, at (202) 785-0266.

Onward,

Grover Norquist

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