



AMERICANS  
*for* TAX REFORM

May 7, 2009

The Honorable David Ige  
Hawaii State Capitol, Room 215  
415 South Beretania Street  
Honolulu, HI 96813

RE: Sustaining the Veto of All Tax Increases

Dear Senator Ige,

**In order to uphold your Taxpayer Protection Pledge, I urge you to sustain the Governor's veto of all bills raising taxes in Hawaii.** As you know, Governor Lingle has committed to vetoing House Bill 1747, Senate Bill 1111, and House Bill 1741. Additionally, she may veto House Bill 1175 and House Bill 895, raising taxes on tobacco.

**The pledge you made to Hawaiians is to oppose and vote against any and all tax increases.** As such, voting to override the veto any of these bills would be a clear violation of your Pledge.

- **House Bill 1747 will raise the income tax to the highest level in the United States will directly hurt small business and Hawaii residents.** At a time when Hawaii's unemployment rate is the highest it has been in over 30 years, implementing a top tax rate of 11% will destroy future job creation and push unemployment even higher.
- **Senate Bill 1111 will increase the hotel tax by 28% and severely discourage tourism at a time when Hawaii's largest industry is struggling.** Hotel occupancy rates are already at a 22 year low. Raising this tax will further depress tourism.
- **House Bill 1741 is a 257% tax increase on property sales for residents and businesses that will discourage investment and expansion of businesses.**
- **Additionally, while the Governor has not stated her intent regarding House Bill 1175 and House Bill 895 to raise cigarette and tobacco taxes, a veto of these bills should be sustained just the same as those above. The burden from cigarette taxes falls disproportionately on low-income individuals and small businesses.** Additionally, these taxes are a volatile and declining source of revenue for the state.

**You recently voted in favor of all of these tax increases. I urge you to reverse your stance and vote to uphold a veto of these bills in order to keep your Taxpayer Protection Pledge that you made to the people of Hawaii.** If you have any questions, please contact Kelly Cobb, state affairs manager, at (202) 785-0266.

Onward,

Grover Norquist

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