

# **New Oppressive Hawaii Tax Hikes Taking Effect July 1**

**BY SAM SLOM** - Half of the year is pau already and July 1 is the start of fiscal year 2011. The new state budget of **\$10.2 BILLION** kicks in, along with a \$1.7 billion Capital Improvements bond bill (Act 180-2010). No deficit and no furloughs (state) for one more year but at what price?

New, oppressive taxes also take effect July 1 including the barrel tax which will add cost to gasoline, electricity, food and other activities. Also, new fees, charges and costs to our beleaguered Hawaii families.

Renovation and expansion of the Aina Haina Shopping Center is on schedule and changes are highly visible. The original (1968) McDonald's will move several hundred yards across the parking lot but will not close. Other contracts are still being signed.

Yesterday the University of Hawaii Board of Regents voted unanimously to authorize construction of the world's largest telescope, 30 meters, on the summit of Mauna Kea. Several Native Hawaiian groups still oppose.

The RIMPAC military exercises off Pearl Harbor (and later at Bellows AFS Beach) is the largest event of its kind, bringing together 14 nations and 22,000 visiting personnel. Great boost for our visitor industry since the activity continues throughout July.

What's with those bikini girls clad in chocolate syrup over the weekend? It was part of a Waikiki Beach environmental protest against BP and offshore oil drilling. Somehow, chocolate bikini girls don't get the point across, especially for those with a sweet tooth, but it sure is an effective PR stunt.

CATO Institute's Randal O'Toole discussed "Gridlock on Hawaii's Highways-and in its Government," at last week's (Thursday) SBH Sunrise Networking Breakfast. The Grassroot Institute of Hawaii and Dale Evans of Charley's Taxi brought in O'Toole, a nationally known transportation expert, for several Honolulu public events to discuss traffic and energy alternatives.

Last chance to tell Governor Linda Lingle what you think about the remaining bills on her veto list before her deadline of July 6. For a complete listing of these bills see [www.hawaii.gov/vetoed](http://www.hawaii.gov/vetoed).

If you read the local papers the last few weeks, you would think that HB 444, the homosexual civil unions bill before the Governor, was the most important thing going in our state. Their lobby is growing and experienced. Business bills and climate were given short shrift. Oops. The Hawaii Business Roundtable issued a statement urging the Governor to veto HB 444 because of several costly consequences to business. Business doesn't like political controversy. After a threatened boycott of the big business members (banks, utilities, transportation companies) of the 'Table, most of them put out their own PR distancing themselves from the Round Table position. Then, the Round Table itself

back tracked on its original stance. The power of an economic boycott in an Island state is greatly increased.

Last week the Senate Ways & Means Committee held a hearing on the state taxation contract with CGI Technologies & Solutions, for tax delinquency recovery, Yesterday the same committee examined state transportation contracts.

Senator Daniel Inouye now the longest serving living U.S. Senator and 3rd in line for the Presidency.

Mayor Mufi Hannemann had to eat some humble pie this week as he caved into the Federal EPA demands for enhanced secondary wastewater sewage treatment in Honolulu. More than \$8 million in taxpayer funds were used to fight the EPA ruling during the past decade. The good news is that after stonewalling by Mayors Harris and Hannemann, the City will meet its obligations to help prevent spills like the one in Waikiki in 2006. The bad news? The cost will be over \$1 billion and you and I will pay for it in increasing water and sewer fees.

Sewer repairs also taking place in East O'ahu on Kalaniana'ole Highway.

The City & County of Honolulu's first Furlough Fridays begin this Friday. Satellite City Halls have adjusted their M-F hours of operation and most are closed on Saturdays.

Tune in tonight ( Wednesday) 6:30 pm, O'lelo Channel 54 for "News Behind the News" with Hawaii Reporter's Malia Zimmerman, when Dr. Panos Prevedouros and I discuss O'ahu's infrastructure and small business economic outlook in detail.

Please visit SBH's newly redesigned website? Link to the site from the next column over. We still have more work to do and your comments and suggestions are welcome.

Need help with a business problem in these difficult times? Please call me personally at SBH for assistance, at (808) 396-1724.

This weekend we celebrate Independence Day, our 4th of July. It is more than hot dogs, parades and fireworks. It is about our freedom and how much more fragile it appears these days and our responsibility to preserve liberty for the next generation. By all means, celebrate and know and appreciate what you are celebrating and thank someone in uniform for their commitment to your independence.

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