

RESOLUTION FOR SIMPLER TAX LAW (A FLAT RATE) NO TAX ON NECESSITIES OF LIFE, AND COMPETITIVE CORPORATE RATES

Whereas, The 16th Amendment to the Constitution was ratified in 1913 for the essential Federal functions specified in the Constitution, now government has grown too large and has expanded its scope well beyond the intent of the Constitution; and

Whereas, When first instituted, the highest income tax rate was 7% for all income over \$500,000 (equivalent to \$7,462,687 in today's dollars) with personal exemptions equal to \$44,776 for single and \$59,701 for a married couple (in today's dollars), but today's top Federal tax rate is 39.6%; and

Whereas, The United States has one of the highest corporate income tax rates in the world; and

Whereas, Hawai'i not only imposes a state income tax, and a wide ranging GET tax, it also requires excessive Transient Accommodation Tax for resident owners renting to visitors; and

Whereas, In 2014, Americans are expected to pay \$3 trillion in federal taxes, or 30.2% of their income, and a typical full time worker in Hawai'i works for the government until April 15, called "Tax Freedom" day; and

Whereas, The frequent rant of the left is to "tax the rich", it should be understood that the top 5% of taxpayers pay 57% of all taxes and the top 50% pay 97% of all taxes, and the "rich" are already taxed exorbitantly, and lower income brackets are given tremendous tax breaks which could be interpreted as inherently unfair by treating citizens unequally; and

Whereas, The IRS estimates the average time for all taxpayers to prepare their tax return is 23 hours for business owners and typically 13 hours for the non-business owner, with four hours devoted to actually completing the forms, record-keeping takes an additional six hours, tax planning two more, and an extra hour is thrown in for miscellaneous tasks; and

Whereas, The federal tax code is so complex, even Internal Revenue Service (IRS) personnel do not agree on how to interpret the regulations and the majority of citizens do not prepare their own forms, and when submitting his own forms, former Secretary of Defense Donald Rumsfeld includes a letter that states he cannot be sure that he filled out the forms correctly even though he is a college graduate and asks for tax code simplification in his lifetime; and

Whereas, The high corporate tax rate is driving corporations to move overseas which reduces domestic investment in plant & equipment and cripples job creation; and

Whereas, As property values increase due to neighborhood demographics, inflation and cost-of-living increases, property taxes can become excessive and unaffordable for seniors on a fixed income; and

Whereas, The people of Hawai'i pay taxes and fees on numerous products and services including the gas tax, the barrel tax, the HI 5 tax/fee; etc; now, therefore, be it

Resolved, That the Hawai'i Republican Party in convention at Honolulu, Hawai'i, on 17 May, 2014 stands for eliminating State taxes on groceries, medicine, and medical services, and

Resolved, That the multiplicity of special taxes and fees be reduced to only those consistent with explicit Constitutional government functions, or placed on a ballot through initiative, referendum, or legislative action, and passed by voters; with tax revenue assessed in a transparent and accountable way on a zero-based budget basis justifying every costs anew every biennium; and

Resolved, That the Transient Accommodation Tax be eliminated for residents possessing relevant permits who rent part of their own dwelling place to visitors; and

Resolved, That Federal and State income taxes be completely reformed for simplicity, with a lower flat rate having wider application, the elimination of taxes on estates, and a lower tax on interest, dividends, and capital gains, and

Resolved, That Congress should reduce the corporate tax rate, make permanent a research and development tax credit that is monitored and audited for good results, repeal the corporate alternative minimum tax, and allow profits earned and taxed abroad to be repatriated in the USA without penalty; and

Resolved, That the Hawai'i Republican Party supports, with the flat tax, the charitable deduction and a limited mortgage deduction in support of single family dwellings up to a reasonable maximum value; and, be it finally

Resolved, That upon the approval of the delegates, copies of this resolution be posted on the Hawai'i Republican Party website, and distributed to the Governor, Lt. Governor, Hawai'i elected officials and media for public dissemination.