

## SBH MEMBER CALENDAR

PHONE 396-1724 • FAX: 396-1726

Monday, May 20  
SBH Directors Meeting

Thursday, May 30  
SBH Sunrise Networking Breakfast  
Clark Hatch  
"Doing Business in Asia"  
Pineapple Room  
Macy's Ala Moana • 7 – 8:30 am

Friday, September 20  
6th Annual SBH Foundation  
Business Awards  
Waialae Country Club • 5 – 8 pm

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Clark Hatch

SBH Sunrise Networking Breakfast

## Clark Hatch

Topic: "Doing Business in Asia"

Thursday, May 30, 2013 • 7:00 to 8:30 am  
The Pineapple Room at Macys' Ala Moana

Reserve today • 396-1724 or [smartbusinesshawaii.com](http://smartbusinesshawaii.com)

## Clark Hatch to Speak at SBH Sunrise

The monthly SBH Sunrise Networking Breakfast Forum continues Thursday, May 30, in the Pineapple Room, Macy's Ala Moana (3rd Floor), from 7 – 8:30 am.

In addition to networking, introductions and special announcements, the Sunrise features a full buffet breakfast, program and free parking.

Clark Hatch well known Hawaii entrepreneur and community leader will be our special speaker May 30. Hatch will speak on, "Doing Business in Asia," a topic he knows we'll. Thinking about doing more business abroad? Then come to Sunrise!

April's speaker was Reg Baker, SBH Board member and Executive VP of HMAA. He summarized findings about Obama-care discussed at the April 23 SBH/HMAA Health Forum.

The SBH forums are open to the public. Advance paid reservations are required.

The complete cost for SBH members and their guests remains \$25 per person. For non-members and those paying at the door—seats are limited—the cost is \$35.

For details go to [www.smartbusinesshawaii.com](http://www.smartbusinesshawaii.com) or call Darlyn at SBH, 396-1724, or send in the reservation form on page 7.

## Court Strikes Down Forced Unionization

In early May, the U.S. Court of Appeals for the District of Columbia struck down the National Labor Relations Board's (NLRB) controversial new rule requiring virtually every private-sector employer in the country to post one-sided information about employee rights online and in the workplace, even if the employer had never been accused of unfair labor practices.

Mark Mix, President of the National Right to Work Foundation, made the following statement in the wake of the ruling:

"National Right to Work Foundation attorneys argued that the NLRB had exceeded its authority granted by Congress.

"We are pleased that the D.C. Circuit has reined in one of the NLRB's more outrageous efforts to expand itself into a taxpayer-funded union organizing operation by holding that the federal

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**Legislature: No Business Relief This Year • See Page 3.**



# Smart Business Views

By Sam Slom, President – Smart Business Hawaii

## Legislature Adjourns

(Thank Goodness):

The Hawaii State Legislature adjourned May 2 after passing a record \$24 billion biennial budget, massive collective bargaining union salary increases and major fee increases. Major tax increases and minimum wage increases were not passed —this year. Your Unemployment Comp tax did go up. SBH grades the 2013 Session a “D” and that’s being generous. See complete story on page 3.

## Hawaii #1 Again: Hotel Room Rates.

Many never thought it would happen: Hawaii passed both NYC and Miami to have the highest hotel room rates in the US at an average of more than \$237 per night. (Silly me, I can still remember staying at Ka’anapali for 19 bucks a night years ago!). The rates reflect the marketing job done by the Hawaii Tourism Authority, the popularity of Hawaii as a destination area, and the pressure of a 9.25% Transient Accommodation Tax and 4.7% (on Oahu) General Excise Tax. The visitor industry, which single handedly propped up the Hawaii economy for two years, is viewed by greedy lawmakers as the best cash cow ever. They wanted to increase the TAT another 2% to 11.25% this year, and the GET too. Lawmakers’ reason tourists won’t mind paying a few extra \$\$ every day for lodging, car, food, shopping, attractions, etc., but they are wrong. At some point, Hawaii could price itself out of the market especially with more areas available, and if that were to happen, we all will be in deep kim chee.

**Streamline Tax.** While the so-called “Streamlining Sales Tax” bill was defeated for the 9th consecutive year in the Hawaii State Legislature, a similar measure easily passed the US Senate. Hopefully, it will die in the House. Taxpayers do not need an additional tax to pay on line.

**Your Business in Asia:** Hatch to Speak to SBH May 30. **Clark Hatch** famed local business entrepreneur, will be the next speaker at the monthly SBH Sunrise Networking Breakfast forum, Thursday, May 30, 7-8:30 am at the Pineapple Room, Macy’s Ala Moana. He will speak on “Doing Business in Asia.” Advance reservations available through SBH. Call Darlyn at 396-1724,

**Tune in Panos.** SBH Director and UH Engineering Prof, **Dr. Panos Prevedouros**, is a weekly guest on **Rick Hamada’s** Tuesday morning radio show every Tuesday, 7:05 – 8 am. Tune in!

## Greenwood to Relinquish UH Presidency:

UH President **MRC Greenwood** announced she will retire from UH September 1 but will remain as a tenured faculty member. Greenwood has served for more than 3 years and has been the subject of numerous controversies. Let’s hope the UH Regents do a better job of hiring the next time around. The Hawaii business community has a vested interest in a successful and efficient state university.

**Home Sales Spurt on Oahu.** According to the Honolulu Board of Realtors and Pacific business News, the Oahu housing market continued its increase in April with double digit percentage increases in both the number of sales of condominiums and single-family homes..

Single-family homes sales increased 29 percent to 280 homes in April, compared to April 2012. The median sales price of a home last month advanced to \$625,000, a 4 percent increase from April 2012, when the median sales price was \$600,000.

Condo sales were up 33% last month, compared to the same time period last year. In April, there were 457 sales, compared to 343 units sold in April 2012.

The median sales price of a condo last month was \$335,000, 5 percent higher than April 2012, which had a median sales price of \$319,000.

Hope you are enjoying the new (since February, 2013) all electronic color *Small Business News*, PDF edition? Back issues of the printed *SB News* are archived on the SBH website. Your news is always welcome.

**Obama-care Updates:** SBH members and guests learned a lot—scary—about the coming Obama-care taxes, fees, penalties and lack of choice— at our April 23 **Health Care Forum with HMAA at Outback**, Hawaii Kai, and the April 25 **SBH Sunrise**.

**Elections.** Can you believe that there are election campaigns already for US Senate, US House and Governor, 18 months away? Too bad we don’t get as excited about improving Hawaii’s business climate.

**SBH wants you as an SBH Member:** Is your business a member of SBH? No? We have lots of benefits, strong networking organization. Call Darlyn today (808-396-1724) or go online to **www.smartbusinesshawaii.com**.

**E Blast every Wednesday:** What? Not receiving your weekly electronic SBH News + Views? More than 15,000 business owners do receive it. It’s complimentary.

## Taniguchi New Maui Divers CFO

Maui Divers Jewelry has appointed **Todd Taniguchi** as its Chief Financial Officer. Taniguchi will oversee the company’s financial operations, as well as lead and manage all fiscal functions including financial planning and analysis, budgeting, and accounting. Taniguchi replaces **Owen Masaki**, who is retiring as CFO in July after 19 years with the company.

Taniguchi has significant experience in retail management, serving most recently as CFO of Reyn Spooner, Inc., where he developed sophisticated budgeting and cash projection models, and negotiated complex trademark agreements and licenses.

Taniguchi is a CPA and graduate of the University of Hawaii.

## Labor Ruling

Continued from page 1.

agency cannot compel private entities to post pro-union messages in their workplaces.

“The NLRB’s unprecedented actions infringed upon free speech and clearly exceeded the agency’s statutory authority. This is a good day both for workers and all who value workplace independence and free speech.”

The National Right to Work Legal Defense Foundation is a nonprofit, charitable organization providing free legal aid to employees whose human or civil rights have been violated by compulsory unionism abuses. The Foundation, which can be contacted toll-free at 1-800-336-3600, is assisting thousands of employees in nearly 200 cases nationwide. Its web address is **www.nrtw.org**.

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Small Business Hawaii (SBH), was founded in 1975, by Lex Brodie. SBH is a private, independent, non-profit [501 (c) (6)] statewide association of nearly 2,000 business members.



# Legislature Spends More, Promises More But Doesn't Improve Business Climate

The 27th Hawaii State Legislature, which began January 16, 2013, ended May 2. A record \$24 billion biennium budget was approved, with more than a half-billion dollars in union salary increases and billions more in subsidies, grants-in-air and special appropriations.

But there was no help for business or Hawaii's lowest rated business climate.

True, it could be worse; it always can. Increases in the GET, liquor, tobacco, sugary beverage, TAT, "streamline" internet, barrel tax (oil) and other tax hikes were proposed but died. They WILL be back in 2014.

So too, the minimum wage increase and the awful successor employer bill. The new domestic workers' rights bill did pass. As well as a permanent TAT at 9.25% and a broader Conveyance Tax.

Not one bill that will improve Hawaii's business climate or ease the burden on Hawaii's beleaguered taxpayers passed of the 293 approved..

A Senate bill to keep Unemployment Comp tax rates at the same level as 2012, instead of increasing again, died in the House and UI tax rates did increase as of March, 2013.

Here are some of the bills that caught our attention this year.

**HB 200 CD1 – State Budget:** The \$24 billion dollar budget brought increased spending over last year - much of it going to education, human services and union pay raises.

The Hawaii Senate Minority proposed an alternative budget with actual program cuts that can be viewed in its entirety at the following link: <http://senateminority.wordpress.com/issues/budget/>

**SB 1070 CD1:** Mortgage servers – fees.

**SB 1071 CD1:** Financial institutions, fees.

**HB 848 CD1:** Redefining small employers with employees of 50 or less for consistency with new federal health insurance laws.

**SB 1214 CD1:** Ban on wheel boots – will put wheel boot firm out of business; the wheel-booting firm was not given adequate opportunity to testify on the bill during the process.

**HB 622 CD1:** Significantly weakens Hawaii's journalism "shield law" – definition excludes "new media" and traditional print media with no paid subscription. While the conference draft



**Top photo: State Senators honored officials from Hilo Hattie for the firm's 50th Anniversary observance. Right: The State Budget Conference Committee.**



passed in the Senate, the House passed an amended version of the bill which essentially killed the law with 2 different versions passed but neither concurring.

**SB 535 CD1:** "Domestic workers bill of rights" – subjects domestic workers to same legal rights as other employees in non-domestic worker situations.

**SB 345 CD1:** Raises fees related to portable electronics insurance licenses to \$5,000 for the issuance of the initial portable electronics limited lines licenses and \$2,500 per year for the initial or renewal term.

**SB 997 CD1:** State archives; electronic records.

**SB 1087 CD1:** Appropriation for the Green Infrastructure Loan Program.

**SB 1194 CD1:** Makes permanent the transient accommodation tax rate of 9.25 per cent.

**HB 820 CD1:** Salary increases for collective bargaining cost items. I voted against all collective bargaining cost item bills including **HB 816, SB 907, SB 911, SB 895, HB 833, SB 909 and SB 902.**

**SB 593 CD1:** Expands livestock feed subsidies to include milking goats, goats raised for meat, sheep, lambs, fish, and crustaceans.

**SB 1133 CD1:** Adds energy and dietary

supplement beverage containers in the deposit beverage container tax program.

**SB 69 CD1:** What started out as a gun buy-back bill is now a gun registration bill that I continue to oppose.

**SB 532 CD1:** Requires employers to set up accommodations in the workplace for breastfeeding.

**SB 237 CD1:** Appropriation for pilot program to generate revenue through the lease of public school lands for public purposes.

**SB 403 CD1:** Bonds; loan program from the Office of Hawaiian Affairs.

**SB 668 CD1:** Transfers medical marijuana program from Dept. of Public Safety to Dept. of Health; establishes a new special fund.

Prior to today's floor session, a bill that I also vote against was:

**SB 1193 HD1:** The bill repeals the General Excise Tax exemption for goods sold to common or foreign carriers.

**SB 2 HD1:** Simulated firearms - Amends the offenses of terroristic threatening in the first degree and robbery in the first degree to include the use of simulated firearms.

*Continued on page 4.*

# Legislature

Continued from page 3.

**SB 1084 CD1:** Constitution amendment to permit the appropriation of public funds for private early childhood education programs.

**SB 1171 HD2:** Authorizes “phased review” of certain projects by the DLNR’s State Preservation Division – re: iwi along rail route.

**HB 785 CD1:** Allows Hawaii Roll Call Commission to certify native Hawaiians.

**SB 978 CD1:** Establishing that cruelty to animals in the second degree is a class C felony if the offense involves ten or more, rather than twenty-five, pet animals in any one instance.

**SB 655 CD1:** Expedited partner therapy – sexually transmitted diseases; health professionals; prescription drugs.

**Dead For This Year:** The following bills did not make it out of conference committee, or died on the floor vote day. Some of the dead bills include:

**SB 331:** This bill would have increased the minimum wage to \$9.00 by January 2017.

**HB 634:** Employer successor bill – requires new employer to retain employees of previous employer when a firm is sold to another owner. Died in conference on last day.

**HB 680:** Conveyance tax increase.

**HB 321:** Voter registration at absentee ballot polling places.

**SB 286:** A bill to count all permanent residents residing in the State of Hawaii on according to the U.S. census.

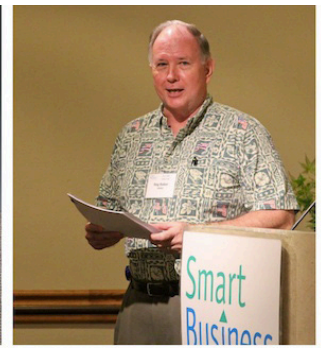
**SB 946:** Unfunded Liabilities of the State and Counties.

**HB 174:** The GMO food labeling bill died in March. This bill would have required that genetically altered foods be labeled.

The legislature passed a total of 293 bills — 170 Senate bills and 123 house bills. A total of 1,484 bills were introduced in the House; 1,388 bills were introduced in the Senate for a combined total of 2,872 bills. The Governor has enacted 71 bills into law so far.

The Governor has a deadline of **July 9** in which to take action on remaining bills (45 days after the end of the 2013 session). If he intends to veto a bill, then he has to state that by **June 24** in a message to the Legislature.

Links to all bills introduced and passed this year, as well as to those enacted into law are available on the State Legislature’s website at [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov).



Every month SBH brings interesting speakers to talk about things that can help your business. Our featured speaker this month is Clark Hatch. Last month it was Reg Baker of HMAA who spoke on Obama-care. Reserve today. The form appears on page 7, or call 396-1724.

## No Constitutional Right to “FOIA” Requests?

The United States Supreme Court unanimously ruled that Virginia’s **Freedom of Information Act (FOIA)** did not violate the U.S. Constitution by granting state citizens, and not non-citizens, the right to access state public records. In *McBurney v. Young*, 569 U.S. \_\_\_ (2013), decided on April 29, 2013, the Court held that Virginia’s FOIA did not violate any fundamental rights under the Privileges and Immunities Clause and did not impermissibly regulate interstate commerce in violation of the U.S. Constitution.

Significantly, the Supreme Court declared that it “has repeatedly made clear that there is no constitutional right to obtain all the information provided by FOIA laws.” In the opinion written by Justice Alito, the Court rejected the argument that Virginia’s FOIA violated the Privileges and Immunities Clause by providing a competitive economic advantage for Virginia citizens who trade in information contained in state records.

Rather, the court concluded that the law had a “distinctly non-protectionist aim” of providing a mechanism by which Virginia’s citizens “may obtain an accounting from the public officials to whom they delegate the exercise of [sovereign] power.” Additionally, the Court stated that “the provision limiting the use of the state FOIA to Virginia citizens recognizes that Virginia taxpayers foot the bill for the fixed costs underlying recordkeeping in the Commonwealth.”

The Court also rejected a separate argument that Virginia’s law regulates or burdens the free flow of interstate commerce, instead finding that the law “merely provides a service to local citizens that would not otherwise be available at all.” The Court reasoned that even if there was a “market” for public documents in Virginia, it was a market for a product created and solely manufactured by the Commonwealth, which did not violate the dormant Commerce Clause by limiting the benefits of that “state program to those who fund the state treasury and whom the State was created to serve.”

In rejecting other constitutional arguments, the Court reasoned that Virginia did not prevent non-citizens from obtaining public documents and noted that the non-confidential records at issue were readily available on-line. Moreover, the Virginia FOIA did not deprive non-citizens of reasonable and adequate access to the courts, as non-citizens had equal access to judicial records and documents needed in litigation were available through discovery and subpoenas.

While the Virginia Attorney General’s office hailed the Court’s decision as “a win for Virginia’s taxpayers,” media and open government groups have widely criticized the opinion. State laws restricting non-citizens’ access to public records also exist in Alabama, Arkansas, Delaware, Missouri, New Hampshire, New Jersey, and Tennessee. Hawaii’s Uniform Information Practices Act, HRS Chapter 92F, contains no such restriction.

For the latest on open government news, check for these e-mails or go to the **What’s New archive at [hawaii.gov/oip](http://hawaii.gov/oip)**.



## Lack of Understanding of Hawaii's GET Creates Confusion

By **Lowell Kalapa**, President, Tax Foundation of Hawaii

Hawaii's general excise tax is the envy of every other state that imposes a retail sales tax because of its broad base, that is, it is applied to nearly every transaction that takes place in Hawaii.

Such is not the case of the retail sales taxes found in more than forty other states. Unlike the retail sales tax, which is usually imposed only on goods and then only on the end-user or consumer of the goods, Hawaii's general excise tax is imposed not only on goods or things, but also on services and it is imposed even when the goods or services purchased will eventually be resold to someone else.

The other significant feature that differentiates the general excise tax from the retail sales tax is that it is a liability of the business selling those goods or services "for the privilege" of doing business in Hawaii whereas a retail sales tax is the liability of the customer. In those states that have a retail sales tax, the business is merely a collection agent for the city, county, or state government that levies the tax. In some cases, the business collecting the retail sales tax for the state or county is compensated for that chore by being able to retain a portion of what is collected as the sales tax. With the general excise tax, the amount paid over to the state tax collector is a percentage of what the business puts into the cash drawer, including the amount sometimes shown out as the general excise tax. The state rate, of course, is 4%, but in Honolulu the additional 0.5% for the rail system is tacked onto the basic 4% state rate.

Since the amount "passed on" to the customer as the general excise tax becomes a part of what the business collects and puts into the cash drawer, when it comes time to pay the tax collector his due, the business must pay 4% on that amount that has been passed on to the customer. As a result, that is why consumers see a rate of either 4.16% on the Neighbor Islands or 4.712% for those who live in Honolulu. Some may argue that businesses should charge only the statutory rate of \$5 or 4.5%. The department of taxation is only interested in the amount being remitted to the state. However, it is against the law for a business to state that there is no general excise tax being imposed on a transaction.

Thus, while a business can show the amount of the tax out separately, that is not a requirement under the law. In fact, before the changes made to the Internal Revenue Code in 1957, businesses did not show the tax out separately because it was viewed as a tax on the gross income of the business. Only when the deduction for state sales

taxes was added to the Code did the retail community pursue the IRS recognition of the tax as a "retail sales tax" for federal purposes and so the tax was shown out separately.

Today, because of price competition among businesses, nearly all businesses show the general excise tax out as a separate line item. Showing out the tax separately also helps to shift the blame to government for the added cost to the price of a product or service. However, it should be noted that merely charging the tax separately does not relieve the business of the burden of the tax. Because the 4% tax is levied on everything in the cash drawer including the amount of the tax passed on, the business must pay for a part of the general excise tax due out of his mark up or margin. When it is a business that operates on a slim profit margin, like a grocery store, the amount of the general excise tax paid out of the margin means a make-it or break-it point.

For the customer, the general excise tax is just another charge added to the bill, but for a business, the tax can determine whether or not it can stay in business. One might say, well, the tax is being passed on to the customer, so the business should be able to pay the tax and stay in business. That might be true for a business that can charge whatever it wants because the demand is high for the product or service being sold, but where there is intense price competition, the profit margin for goods or a service may not be sufficient to cover the cost of the tax that is paid out of the mark up. If that business cannot charge enough for the product or service to cover the general excise tax obligation that can't be passed on, that business will soon be out of business.

And that is the point to underscore, because the general excise tax is a tax on gross income, it is due whether or not a business is profitable. Take, for example, a business that is having a fire sale or is going out of business sale and is selling everything below cost, the business is making no profit on those sales yet the general excise tax will still be due on the amount taken in from the fire sale.

For the average taxpayer who believes the cost of the tax can just be passed on to the customer, they don't see that the business must still take something out of its mark up to pay the tax over and above what was passed on.

Lowell L. Kalapa is the president of the Tax Foundation of Hawaii. Mr. Kalapa's commentary is printed each week in the *MauiNews*, *West Hawaii Today*, *Garden Isle News*, and the *HawaiiReporter.com*.

### SBH Membership Can Help You!

One of the benefits of membership in SBH is our business referral service. Another is member discounts. Also, you can contact SBH for answers to employment and other legal questions. Finally, SBH is *your* business advocate at the State Legislature, City Council and Public Agency hearings.

Please join today. Call 808 **396-1724** for details or send in the membership form on page 7.



Close to 100 people attended April 23's SBH Health Care forum that featured a comprehensive update and discussion of the Federal Government's "Obama-care" health plan. The event was held at the Outback Steakhouse in Hawaii Kai.

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# IRS Apologizes for Hawaii TEA Party Harassment

By **Malia Zimmerman**  
HawaiiReporter.com

In a stunning twist, the **Internal Revenue Service** has apologized today for unfairly targeting two Hawaii tea party groups and 25 other tea party organizations in 18 states across the country.

The apology followed demands by IRS employees that tea parties applying for a 501(c)(3) or 501(c)(4) tax-exempt status disclose membership lists, associations, transcripts, videos of rallies and much more.

**The American Center for Law and Justice**, which represented some 30 tea party groups including the **Honolulu Tea Party** and the **Maui Tea Party** in an effort to get the IRS to retract the orders, called the demands "inappropriate", "well outside the scope of legitimate IRS inquiry", an "assault by the Internal Revenue Service" and a "violation of the First Amendment."

"We knew from the very start that this intimidation tactic was coordinated and focused directly on specific organizations," said **Jay Sekulow**, Chief Counsel of the American Center for Law and Justice, who formerly worked as a trial lawyer with the Office of the Chief Counsel for the IRS.

On Friday, May 10, **Lois Lerner**, head of the IRS unit overseeing tax-exempt groups, admitted the practice was wrong and should not have occurred. Lerner explained the practice was "initiated by low-level workers in Cincinnati and inappropriately focused on groups that included the words 'tea party' or 'patriot' in their applications for tax-exempt status, singling them out for additional reviews," the American Center for Law and Justice said in a statement.

The Washington DC-based organization called the IRS apology a "significant victory for free speech and freedom of association." "This admission by the IRS represents a significant victory for free speech and freedom of association. There was never any doubt that these organizations complied with the law and applied for tax-exempt status for their activities as Americans have done for decades. And for the many tax-exempt groups we represent, this is an important day – and underscores the need to stand-up and defend your constitutional freedoms," Sekulow said.

The IRS admission and apology should have come much sooner, Sekulow maintained. "It took the threat of legal action to get the IRS to make this admission. And while many of the organizations we represent have finally

been granted tax-exempt status, we demand the IRS to immediately approve the pending applications for the remainder of our clients," Sekulow said.

Some 14 groups represented by the American Center for Law and Justice, including the Honolulu Tea Party and the Maui Tea Party, have been granted tax-exempt status by the IRS over the last several months, and others are pending, and none have been denied.

For **Adrienne King**, an attorney who headed the Honolulu Tea Party in 2011 and 2012, the apology is welcome news. She was shocked and angered last year when she received an inquiry from the IRS demanding she provide detailed information on tea party activities, materials, pictures, videos, names of speakers and attendees as well as copies and recordings of actual speeches made at the events.

The July 27, 2012 IRS letter said: "Please provide details of your tax rally and confirm whether this is an accurate list (of speakers). How were these speakers selected? How much time was devoted to each speaker? What topics were discussed? Please provide any other information about the speakers that you think would be helpful to us in processing your application as well as copies of any materials or recordings from the speeches."

The Maui Tea Party received a similar letter.

King said she has retained the services of American Center for Law and Justice to respond to the IRS after she believed the inquiry to be a violation of the First Amendment. It took over a year for the Honolulu Tea Party to receive the 501(c)(4) status, but it was finally granted in late March.

"This admission and apology by the IRS is incredible news. The IRS admitted that they targeted tea party groups to try and silence our voices and stop our efforts to halt the left wing ideologues assault on liberty," King said. The price of liberty is eternal vigilance. Keep your guard up and right will win in the end."

**Miles L. Terry**, Associate Counsel for the American Center for Law and Justice, added, "While I appreciate the honesty, 'sorry' is just not enough. Where is the compensation for hundreds of hours of attorney time? Where is the compensation for thousands of hours spent by Tea Party groups compiling tens of thousands of pages of documents?"

The organization also called for Congressional oversight hearings on this issue after more than 50,000 Americans requested it.

**Niger Innis**, Chief Strategist for **TheTeaParty.net**, agreed an apology is not enough and demanded a thorough investigation to see why the IRS is being used as a "political weapon" by the Obama administration. "What would Democrats have done if the Nixon administration ordered the IRS to actively target the National Organization of Women or the American Civil Liberties Union? Nixon had his own enemies list and resigned. These activities are eerily similar, and yet Obama remains in office even in light of Fast and Furious, the Benghazi tragedy, and now the active targeting of his political opposition," Innis said.

"We demand a thorough independent investigation into who did what, when, why, and how far up into the administration this scandal goes. We would expect intimidation like this from third-world, tin-pot dictators, not our own US government."

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## Should Government Collect Union Dues?

The **U.S. Sixth Circuit Court of Appeals** has ruled that **Michigan Public Act 53** of 2012 is constitutional, meaning that most public school districts no longer have to spend taxpayer dollars to collect union dues.

In Hawaii, the **Senate Minority** has introduced bills to prohibit the State of Hawaii from collecting union dues for the union. The bills have never gotten a hearing.

The **Michigan Education Association** (MEA) filed suit to block the measure just weeks after it was signed into law. "As a result of this decision, a school district does not have to collect dues or fees for any collective bargaining agreement that was entered into, extended or renewed after March 20, 2012," said Patrick J. Wright, director of the Mackinac Center Legal Foundation. "Any such deductions should stop immediately."

Despite Michigan becoming a right-to-work state on March 28, currently most teachers must still pay union dues or agency fees unless they resign their union membership during a narrow window in August. MEA President Steve Cook has already said the union will use "any legal means at our disposal" to fight the union's own members who wish to embrace their worker freedom rights.



# What?

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SBH News + Views?

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## SBH SUNRISE

Thursday, May 30, 2013 • 7:00 – 8:30 a.m.

Pineapple Room, Ala Moana • Breakfast / Free Parking

Clark Hatch, Clark Hatch Fitness Centers

"Doing Business in Asia"

Reservations made in order received at SBH. No tickets mailed – pick up at registration desk March 28. Your guests welcomed at member price. Refunds until May 29.

**Advanced Paid Reservations Required by May 28, 2013.**

Complete Breakfast Buffet and Free Parking (Ala Moana 4th floor) included

Name \_\_\_\_\_

Firm Name \_\_\_\_\_ Phone \_\_\_\_\_

Address \_\_\_\_\_ City/Zip \_\_\_\_\_

My Guest(s) \_\_\_\_\_

(Firm) \_\_\_\_\_

Enclosed is my check for\* \$\_\_\_\_\_, for \_\_\_\_\_ (number) people  
@ \$25 per member and their guest(s) who pay in advance.\*

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**Small Business Hawaii,**  
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Attached is my check for \$\_\_\_\_\_ (regular annual membership dues are \$200; \$350 for 2 years). Annual membership dues may be tax deductible to your organization under IRS Code Section 501(c) (6). Please check with your tax advisor. Billing is annual on the anniversary of my last payment. Ten dollars of my annual membership is allocated for a subscription to the monthly *Small Business News*. I am applying for membership and understand SBH does not sign up anyone for medical or benefits only; I agree to actively support the goals of SBH and actively participate in SBH activities. I certify that all information on this form is current and accurate.

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# The Brighter Side: Honoring Human Achievement

By **Malia Hill**

Last month, some people here in Hawaii (and around the world) were shutting off their lights and sitting in darkness in order to honor “Earth Hour”—a largely symbolic plea to the governments of the world to take action on climate change. And it’s likely to be as effective as sitting at home in the dark generally is.

In contrast, I suggest that you to spend that hour as I plan to do myself—sitting in the light, celebrating the human achievement that has brought us to unprecedented health, safety, and comfort. The same human ingenuity that I believe will be a bigger part of protecting the land and preserving the environment than any number of protests in the dark—and with far fewer unfortunate metaphorical allegories.

Because, when you think about it, the scope of human achievement is something we ought to celebrate more often. Thanks to improvements in science, technology, and medicine, we are able to live longer, more healthy lives. Vaccines, advancements in medicine, and even modern sanitation have helped stave off disease, made childbirth safer, and allowed more children to grow up healthy and strong. Advancements in communications and transportation have made the world smaller and more accessible. Education is no longer the exclusive province of the rich or privileged. By any measure, our lives have been improved by through human ingenuity and innovation.

In fact, you need to look no further than your own house to recognize how far we’ve come.

Refrigeration has changed and improved our diet, making it more varied and healthy (not to mention safer). Technology has freed us from previous drudgery associated with cooking and cleaning and changed the role and place of women in our society. Even something as simple as air conditioning has changed the way we work, live, and play.

Only a hundred years ago, the average life span for a man in America was 50 years (and 55 for women). The infant mortality rate was 132 deaths per 1000 births. Death from causes like Typhoid Fever, Diphtheria, and Tuberculosis were tragically common and claimed even the young and healthy. Today, average life expectancy is 78 years and the infant mortality rate has plummeted to 6.15 deaths per 1000 births. And there are few who wouldn’t expect those trends to continue.

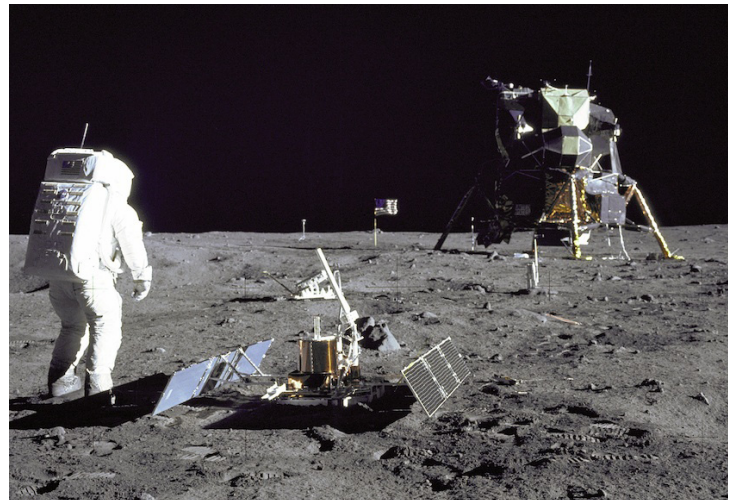
We live in an age where science has become the great democratizer. This is not to suggest that privilege and wealth no

longer exist, but only that—more than ever before—previous barriers to education, opportunity, and information are dropping thanks to human innovation and our unending quest to improve the quality of our lives.

And the most wonderful thing of all is that many of these advancements came not from any collective and conscious effort, but from the small contributions of many, working to solve one intractable problem. The economist Adam Smith, arguing for the general benefit of self-interest wrote that, “It is not from the benevolence of the butcher, the brewer, or the baker, that we can expect our dinner, but from their regard to their own interest.” We only need to add the mechanic, the engineer, the software developer, and the numerous others who have done their small bit to improve our lives.

Of course, we are not done yet. In fact, that is the best part of celebrating human achievement. We can do so knowing that in future years, there will be new advances that we could only have imagined previously. Will we see true energy independence? More sustainable methods of agriculture? A true end to hunger? Mankind dreams and then does. And so, this Earth Day, I will be in the light, celebrating the best of human achievement, and dreaming of an even better future to come.

And maybe drinking a beer. Because why not celebrate all of mankind’s great achievements while I’m at it?



**Mankind continues to benefit from space exploration that was started in the late 1950s and peaked with man landing on the moon. Many of the technologies we enjoy today were pioneered in the space program.**

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