STAND. COM. REP. NO. 970 -08

Honolulu, Hawaii

-, - 29 , 2008

RE: H.B. No. 2248

H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2248, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to recognize a reciprocal insurer and its attorney-in-fact as a single entity that qualifies for the general excise tax exemption for insurers.

The Department of Commerce and Consumer Affairs and Medical Insurance Exchange of California testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Clarifying that each attorney-in-fact of a reciprocal insurer is exempt from general excise taxes on income or gross receipts derived from its principal business as attorney-in-fact;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

HB2248 HD2 HSCR FIN HMS 2008-2724

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2248, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

## State of Hawaii House of Representatives The Twenty-fourth Legislature



## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: HB 2248	Committee Referral:		Date: 2-27-2008	
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	ν			
3. AWANA, Karen Leinani	V			
4. BELATTI, Della Au	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \			
5. BROWER, Tom	· · ·			
6. CARROLL, Mele				<u></u>
7. HANOHANO, Faye P.		4		
8. HAR, Sharon E.				<u>`</u>
9. KARAMATSU, Jon Riki		The second secon		
10. MAGAOAY, Michael Y.				
11. MANAHAN, Joey				
12. MIZUNO, John				
13. NAKASONE, Bob				
14. RHOADS, Karl	<u> </u>			
15. SAGUM, Roland D., III	レ ・ ・ ・ ・			
16. TOKIOKA, James Kunane				
17. MEYER, Colleen Rose				
18. PINE, Kymberly Marcos				
19. WARD, Gene, Ph.D.				
TOTAL (19)	15	0	0	4
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature: Maily B. Lel				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				