

STAND. COM. REP. NO. 3377

Honolulu, Hawaii

APR 04 2008

RE: H.B. No. 2961  
H.D. 2  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2961, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to adopt changes to Hawaii's tax law that will allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Retail Merchants of Hawaii, and the Hawaii Science and Technology Council. Comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee has amended this measure by allocating one hundred per cent of all new use tax revenues under the Streamlined Sales and Use Tax Agreement for facility and infrastructure needs of the Department of Education and the University of Hawaii for a period of five years, until 2015, subject to further evaluation and review of the effectiveness of the allocation of these revenues for education-related purposes.

Your Committee has also amended this bill by deleting the appropriation to the office of the Auditor, and requiring, instead, that the Department of Taxation provide support to the Streamlined Sales and Use Tax Agreement certification team

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established to work with the Department in petitioning for certification of Hawaii's compliance with the Agreement.

Finally, your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2961, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2961, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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ROSALYN H. BAKER, Chair



