

STAND. COM. REP. NO.

1001

Honolulu, Hawaii

FEB 28

, 2025

RE: H.B. No. 1149
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Finance, to which was referred H.B. No. 1149 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX EXEMPTIONS,"

begs leave to report as follows:

The purpose of this measure is to repeal the general excise tax exemption for amounts received by:

- (1) Independent sugar cane farmers; and
- (2) Contractors of the Patient-Centered Community Care Program that is established by the United States Department of Veterans Affairs.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the general excise tax exemptions set to be repealed by this measure have not been claimed or claimed by so few taxpayers that very little benefit to the public is indicated or data on the usage of these exemptions cannot be released without risk of identifying claimants. Your Committee



concludes that it is appropriate for these largely unused tax exemptions to be repealed.

Your Committee has amended this measure by changing its effective date to January 1, 3000, to encourage further discussion.

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. 1149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1149, H.D. 1, and be placed on the calendar for Third Reading.

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



KYLE T. YAMASHITA, Chair



