## A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Section 237-18, Hawaii Revised Statutes, is
2	amended by amending subsection (e) to read as follows:
3	"(e) Where [insurance] the following professionals:
4	(1) <u>Insurance</u> agents, including general agents, subagents,
5	or solicitors, who are not employees and are licensed
6	pursuant to chapter 431[, or real];
7	(2) Real estate brokers or salespersons, who are not
8	employees and are licensed pursuant to chapter 467[ $_{ au}$ ];
9	<u>or</u>
10	(3) Investment securities brokers, or "broker" as that
11	term is defined under section 490:8-102, or agents,
12	who are not employees and who provide services
13	pursuant to chapter 490, article 8,
14	produce commissions [which] that are divided between [such]
15	<u>insurance</u> general agents, subagents, or solicitors[, or between
16	<pre>such]; real estate brokers [or] and salespersons[7]; or</pre>
17	investment securities brokers and agents, as the case may be,
18	the tax levied under section 237-13(6) as to real estate brokers
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- 1 or salespersons  $[\tau]$  and investment securities brokers or agents,
- 2 or under section 237-13(7) as to insurance general agents,
- 3 subagents, or solicitors shall apply to each such person with
- 4 respect to the person's portion of the commissions, and no
- 5 more."
- 6 SECTION 2. Statutory material to be repealed is bracketed
- 7 and stricken. New statutory material is underscored.
- 8 SECTION 3. This Act shall take effect upon its approval
- 9 and shall apply to taxable years beginning after
- 10 December 31, 2005.

## Report Title:

Investment Securities; Broker and Agent; General Excise Tax

## Description:

Requires an investment broker and agent who share compensation for their services to pay the general excise tax for only that portion of the compensation retained by each. (SD1)