STAND. COM. REP. NO. 1569 -06

Honolulu, Hawaii

Apr: 17, 2006

RE:

S.B. No. 2499

S.D. 2 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006

Sir:

State of Hawaii

Your Committee on Finance, to which was referred S.B. No. 2499, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to provide to securities professionals the same relief from pyramiding of the general excise tax (GET) now enjoyed by most persons engaging in wholesale service transactions, by providing that when commissions earned on securities sales transactions are divided between several persons, each person is responsible only for the GET on their own portion of the commission.

The National Association of Insurance and Financial Advisors, Linsco/Private Ledger Corporation, Brookstreet Securities Corporation, Sunamerica Securities, Inc., and a concerned individual testified in support of this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

(1) Providing that the security professionals to whom the law applies, must not be employees;

SB2499 HD2 HSCR FIN HMS 2006-3317

- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2499, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2499, S.D. 2, H.D. 2.

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

DWIGHT TAKAMINE, Chair

State of Hawaii

House of Representatives
The Twenty-third Legislature

HSCR 1569-06

Record of Votes of the Committee on Finance

SB 2499, SD2, HD1		Date:	4/.3	·06		
CPC, FIN			☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended		Pass, with amendments				
	☐ Hold	☐ Re	commit			
FIN Members		Ayes	Ayes (WR)	Nays	Excused	
1. TAKAMINE, Dwight Y. (C)		~				
2. KAWAKAMI, Bertha	C. (VC)	V				
3. CARROLL, Mele		V				
4. CHONG, Pono		V V				
5. EVANS, Cindy						
6. LEE, Marilyn B.						
7. MAGAOAY, Michael Y.						
8. NAKASONE, Bob						
9. NISHIMOTO, Scott Y. 10. TANAKA, Kameo						
11. TSUJI, Clift						
12. WAKAI, Glenn						
13. YAMANE, Ryan I.						
14. YAMASHITA, Kyle T.						
15. MEYER, Colleen Rose						
16. MOSES, Mark S.						
17. PINE, Kymberly						
18. STEVENS, Anne V.		/				
TOTAL		18				
The recommendation is:	Adopted					
	☐ Not Adopted					
If joint referral, did not support recommendation.					1	
committee acronym(s)						
Vice Chair's or designee's sig	nature:			,		
	Bertha	_C.Ken	Jalean			
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