

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 3118
H.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing, to which was referred H.B. No. 3118, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

The purpose of this measure is to allow businesses to incorporate as responsible business corporations. This measure also provides an exemption of a certain percentage of corporate taxes for this type of incorporation as a responsible business corporation.

Testimony in support of this measure was submitted by Inner Ocean Publishing, Inc.; Brilliant Voices; and the Democratic Party of Maui County. Testimony in opposition to this measure was submitted by the Department of Taxation. The Business Registration Division of the Department of Commerce and Consumer Affairs and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that this measure has merit but requires further discussion and, therefore, has not amended the effective date of July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3118, H.D. 1, and recommends that



it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Housing,



RON MENOR, Chair



