STAND. COM. REP. NO. 2701

Honolulu, Hawaii

FOB 17

, 2006

RE:

S.B. No. 2499

S.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 S.B. No. 2499 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require an investment securities broker and an agent who share compensation for their services to pay the general excise tax for only that portion of the compensation retained by each.

Testimony in support of this measure was submitted by Cades Schutte, Linsco/Private Ledger Corp., and the National Association of Insurance and Financial Advisors. Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that it is fair and equitable to treat the security sales industry the same as the insurance and real estate sales industry by eliminating the double taxation of security brokers and their local agents.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

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 S.B. No. 2499, as amended herein, and

2006-1621 SSCR SMA.doc  recommends that it pass Second Reading in the form attached hereto as S.B. No. 2499, S.D. 1, 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,

PON MENOR Chair

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* SB 2499 CPH, WAM 2-15-06				
The committee is reconsidering its previous decision on this measure.				
If so, then the previous decision was to:				
The Recommendation is to:				
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
MENOR, Ron (C)	~			
BAKER, Rosalyn H. (VC)	レ			
ESPERO, Will				
IGE, David Y.			· .	
SAKAMOTO, Norman	<u> </u>			
HOGUE, Bob				
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TOTAL	6		_	0
Recommendation:  Adopted  Not Adopted				
Chair's or Designee's Signature:				
Distribution:   ✓ Original Yellow Pink Goldenrod  File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

<sup>\*</sup>Do not list more than one measure per Record of Votes.