Honolulu, Hawaii

Feb. 16, 2006

RE: S.B. No. 3211

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 Human Services, to which was referred S.B. No. 3211 entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide excise tax relief for persons who are blind, deaf, and totally disabled (taxpayers), as follows:

- (1) To provide for certification for and to define eligible persons who are blind, deaf, or totally disabled;
- (2) To exempt up to \$2,000 a year of excise tax on business activities of a trust established for the benefit of taxpayers; and
- (3) To levy a excise tax of up to one-half per cent on the income of trusts established for the sole benefit of taxpayers.

Your Committee received comments on this measure from the Department of Taxation (DOTAX) and Tax Foundation of Hawaii.

According to DOTAX, this measure would make a technical amendment to current tax law. The general excise tax currently provides tax relief for any individual who is blind, deaf, or totally disabled, and for a corporation, partnership, or limited liability company, the members of which are blind, deaf, or

totally disabled. This measure includes a trust, the sole beneficiary of which is blind, deaf, or totally disabled, within this general excise tax relief.

Your Committee finds that the blind, deaf, and totally disabled deserve all available excise tax benefits in any of these forms.

Your Committee has amended this measure to add a reference to "Air Force" in the certification provision.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3211, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Human Services,

SUZANNE CHUN OAKLAND, Chair

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Human Services (Bills and Resolutions)

Measure:* SB 3211		Committee Referral: HMS,WAM		Date:	Date: 2/9/00		
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:							
The Recommendation is to:							
Pass, unamended (2312)		Pass, with amendments (2311)		<u> </u>	Hold Recommit (2310) (2313)		
	Members		Ayes	Ayes(WR)	Nays	Excused	
CHUN OAKLAND, Suzanne (C)			V				
IHARA, Jr., Les (VC)							
FUKUNAGA, Carol							
HOOSER, Gary L.	· · · · · · · · · · · · · · · · · · ·	·· ································					
KOKUBUN, Russell S.			- V				
TRIMBLE, Gordon	······································						
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TOTAL			4			2	
Recommendation:  Adopted					Not Adopted		
Chair's or Designee's Signature:  Oant Tulumage							
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<sup>\*</sup>Do not list more than one measure per Record of Votes.