STAND. COM. REP. NO. **186** 

Honolulu, Hawaii

Fe 4 8, 2007

RE: H.B. No. 92

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 92 entitled:

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

begs leave to report as follows:

The purpose of this bill is to promote the fair application of the general excise tax (GET) by allowing securities professionals to pay the GET only on their respective share of commissions divided among a number of persons.

The National Association of Insurance and Financial Advisors-Hawaii, Brookstreet Securities Corporation, SunAmerica Securities, Inc., Linsco/Private Ledger Corp., and a concerned individual testified in support of this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that certain professionals such as insurance agents and real estate brokers and salespersons only pay the GET on the amount of a commission actually received in cases where the commission is split among a number of persons. This bill extends the same treatment to securities professionals and prevents their commissions from being subjected to the GET more than once.

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As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

ROBERT N. HERKES, Chair

HSCR 186

## State of Hawaii House of Representatives The Twenty-fourth Legislature

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.:	Date:	Date:			
нв 92	February 5, 2007				
Committee Referral:	☐ The committee is reconsidering its				
CPC, FIN	previous decision on the measure.				
The recommendation is to: Pass, unamended	☐ Pass, with amendments				
☐ Hold	Pass, with amendments, for recommittal for further consideration				
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. HERKES, Robert N. (C)	X				
2. McKELVEY, Angus L.K. (VC)	X				
3. CALDWELL, Kirk	X				
4. EVANS, Cindy	*				
5. GREEN, Josh, M.D.	X				
6. ITO, Ken	X				
7. LUKE, Sylvia	X				
8. MORITA, Hermina M.	×				
9. SONSON, Alex M.				X	
10. SOUKI, Joseph M.				X	
11. TSUJI, Clift	×				
12. YAMANE, Ryan I.					
13. YAMASHITA, Kyle T.	×				
14. MARUMOTO, Barbara C.	×				
15. THIELEN, Cynthia	X				
	5-a				
TOTAL	13			a	
The recommendation is: Adopted					
☐ Not Adopted					
If joint referral, did not support recommendation.					
▼tce Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office					