STAND. COM. REP. NO. 1228

Honolulu, Hawaii

Morch 16 , 2007

RE: S.B. No. 1007

S.D. 2 H.D. 1

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 S.B. No. 1007, S.D. 2, 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 parties.

Brookstreet Securities Corporation, Linsco/Private Ledger Corp., and a concerned individual testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that insurance agents and real estate brokers and salespersons are only required to pay the GET on their actual share of commissions in cases where the commission is split among a number of parties. This bill extends the same treatment to securities professionals and prevents their commissions from being subjected to the GET more than once.

Your Committee has amended this measure by:

(1) Changing the effective date to upon this bill's approval; and

SB1007 HD1 HSCR CPC HMS 2007-3053



(2) Providing that the provisions of this bill apply to gross income or gross proceeds received after December 31, 2006.

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 S.B. No. 1007, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 2, H.D. 1, 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

State of Hawaii House of Representatives The Twenty-fourth Legislature

HSCR 1228

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:	Date:				
SB 1007 SD 2		3/12/07			
Committee Referral:	☐ The committee is reconsidering its 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)	Υ.				
2. McKELVEY, Angus L.K. (VC)					
3. CALDWELL, Kirk				>	
4. EVANS, Cindy	X				
5. GREEN, Josh, M.D.				χ	
6. ITO, Ken	%				
7. LUKE, Sylvia				χ	
8. MORITA, Hermina M.	×				
9. SONSON, Alex M.	X				
10. SOUKI, Joseph M.	>		:		
11. TSUJI, Clift	Ń				
12. YAMANE, Ryan I.	×				
13. YAMASHITA, Kyle T.	χ				
14. MARUMOTO, Barbara C.	V		· · · · · · · · · · · · · · · · · · ·		
15. THIELEN, Cynthia				У	

TOTAL	ll.			4	
The					
The recommendation is: Adopted					
☐ Not Adopted					
If joint referral,		did not suppo	ort recommendation		
	mittee acronym(
Vice Chair's or designee's signature:					
vice Chair's or designee's signature:					
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