STAND. COM. REP. NO. 1284

Honolulu, Hawaii

Monh 20 , 2007

RE: S.B. No. 704

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

Sir:

Your Committee on Health, to which was referred S.B. No. 704 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to make a technical amendment to the general excise tax law to provide tax preferences to trusts with sole beneficiaries who are blind, deaf, or totally disabled.

Specifically, this measure extends to a trust with a sole beneficiary who is blind, deaf, or totally disabled an exemption from the general excise tax on the first \$2,000 in gross income that is otherwise applicable to businesses owned by persons who are blind, deaf, or totally disabled.

This measure also assesses a general excise tax rate of onehalf of one per cent in such business trusts.

Your Committee received oral testimony in support of this measure from a concerned individual. Comments on the measure were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure extends the same tax preferences to trusts where the sole beneficiary is blind, deaf, or totally disabled as granted to other business organizations run by persons who are blind, deaf, or totally disabled, including

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sole proprietorships (individuals), corporations, partnerships, and limited liability companies.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 704 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 Health,

JOSHUA B. GREEN, M.D., Chair

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State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Health

SB 704	Date:	3 - 13 -	-07	
Committee Referral: HLT, FIN	☐ 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			
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. GREEN, Josh, M.D. (C)				
2. MIZUNO, John (VC)	V			
3. BELATTI, Della Au	V			
4. BERTRAM, Joe, III				
5. CABANILLA, Rida T.R.				"
6. RHOADS, Karl	V			
7. SHIMABUKURO, Maile S. L.				
8. TAKAI, K. Mark				
9. TOKIOKA, James Kunane	/			
10. AWANA, Karen Leinani				
11. WARD, Gene, Ph.D.	\overline{V}			
TOTAL	9			2.
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				