STAND. COM. REP. NO. 711

Honolulu, Hawaii

MAR 0 1 2007

S.B. No. 704 RE:

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Ways and Means, 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 treat the gross income received by trusts whose sole beneficiary is blind, deaf, or totally disabled in the same way as the gross income received from business or other activities of individuals who are blind, deaf, or totally disable or of business entities owned or operated by the blind, deaf, or totally disabled under the general excise tax law.

Your Committee received comments in support of this measure from one individual. Written comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the income received by trusts whose sole beneficiaries are blind, deaf, or totally disabled, are currently taxed at the four or the four and one-half per cent rate under the general excise tax law, but should be taxed at the lower rate of one-half per cent in the same way as businesses owned or operated by the blind, deaf, or totally disabled.

As affirmed by the record of votes of the members of your Committee on Ways and Means 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 Third Reading.

2007-1979 SSCR SMA.doc Respectfully submitted on behalf of the members of the Committee on Ways and Means,

OSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral: Date:			te:	
SB 704	HSP, ED	T. WI	AM 2	2.23.0	クア
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
FUKUNAGA, Carol					
HOOSER, Gary L.					
KIM, Donna Mercado					
MENOR, Ron					
TOKUDA, JIII N.					
HEMMINGS, Fred					
WHALEN, Paul					
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TOTAL		9 1	0	0	2
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					