

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

SENATE COMMITTEE ON WAYS & MEANS

TESTIMONY REGARDING SCR 163 SD 1/SR 89 SD 1

**REQUESTING THE DEPARTMENT OF TAXATION TO EXAMINE THE PAYMENT
OF GENERAL EXCISE TAXES ON ALL COMMISSIONS EARNED FROM
SALES BY A MANUFACTURER'S SALES REPRESENTATIVE OF IMPORTED
TANGIBLE PERSONAL PROPERTY THAT IS PURCHASED BY A
CONSUMER DIRECTLY FROM THE MANUFACTURER.**

*****WRITTEN TESTIMONY ONLY*****

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: APRIL 4, 2008

TIME: 10:05AM

ROOM: 211

The Department understands the legislative interest in analyzing and investigating the payment of general excise tax on commissions earned by sales representatives of imported tangible personal property that is purchased by a consumer directly from the manufacturer.

However, without additional resources specifically provided to assist with this request, the Department is concerned that it may not be able to adequately comply with this request. The Department respectfully requests an appropriation of \$60,000 and the authority to utilize these funds to hire 1.0 full-time equivalent (FTE) economist position.