STAND. COM. REP. NO. 2643

Honolulu, Hawaii FEB 2 9 2008

RE: H.B. No. 1755

H.D. 1 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1755, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the tax consequences of the reduced general excise tax rate of 0.5 per cent on service-to-service wholesale transactions.

Specifically, this measure clarifies that the reduced general excise tax rate of 0.5 per cent on service-to-service wholesale transactions applies to dealers that furnish goods or services to fulfill manufacturer warranty obligations to purchasers of the manufacturer's tangible personal property.

Your Committee received no testimony regarding this measure.

Your Committee finds that this measure clarifies that the reduced general excise rate on service-to-service wholesale transactions, intended to reduce the effects of tax-pyramiding, applies to the service-to-service industry in relation to fulfilling a manufacturer's warranty obligation for tangible personal property.

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 H.B. No. 1755, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

	Bill / Resolution No.:* HB 17553HD1, SD 1	Committee Referral: FOT. WAM		ı	Date: 2/25/68		
	The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:						
ľ	The Recommendation is:						
	Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
	Members		Aye	Aye (WR)	Nay	Excused	
٠[BAKER, Rosalyn H. (C)		/				
	TSUTSUI, Shan S. (VC)						
	CHUN OAKLAND, Suzanne		/				
3	ENGLISH, J. Kalani					7	
,	FUKUNAGA, Carol		/				
.	HOOSER, Gary L.						
	INOUYE, Lorraine R.						
	KIM, Donna Mercado						
	MENOR, Ron						
•	TOKUDA, Jill N.						
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L	TOTAL		10	0	0	2	
	Recommendation: Adopted Not Adopted						
	Chair's or Designee's Signature:						
ľ	Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

*Only one measure per Record of Votes