STAND. COM. REP. NO. 3377

Honolulu, Hawaii

APR 04 2008

RE: H.B. No. 2961

H.D. 2 S.D. 2

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. 2961, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to adopt changes to Hawaii's tax law that will allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Retail Merchants of Hawaii, and the Hawaii Science and Technology Council. Comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee has amended this measure by allocating one hundred per cent of all new use tax revenues under the Streamlined Sales and Use Tax Agreement for facility and infrastructure needs of the Department of Education and the University of Hawaii for a period of five years, until 2015, subject to further evaluation and review of the effectiveness of the allocation of these revenues for education-related purposes.

Your Committee has also amended this bill by deleting the appropriation to the office of the Auditor, and requiring, instead, that the Department of Taxation provide support to the Streamlined Sales and Use Tax Agreement certification team

established to work with the Department in petitioning for certification of Hawaii's compliance with the Agreement.

Finally, your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

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. 2961, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2961, H.D. 2, S.D. 2.

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

ROSALYN HO BAKER, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*  HB29 &I_HD2,SB/	Committee		E E	Date: 3/28/08	
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.					
INOUYE, Lorraine R.		سمير.		·	
KIM, Donna Mercado					
MENOR, Ron		·			
TOKUDA, Jill N.					
HEMMINGS, Fred					
WHALEN, Paul					
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TOTAL		8	0		3
Recommendation:  Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

<sup>\*</sup>Only one measure per Record of Votes