STAND. COM. REP. NO. 2025

Honolulu, Hawaii FEB 04 2008

RE: S.B. No. 2913

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

## Madam:

Your Committee on Transportation and International Affairs, to which was referred S.B. No. 2913 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to exempt common carriers from the general excise and use taxes for fuel sold from a foreign trade zone to common carriers for use in intrastate transportation.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; Aloha Airlines; Hawaiian Airlines; and the Hawaii Chapter of March of Dimes. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that airlines in Hawai'i face serious financial challenges as a result of a highly competitive market and increasing fuel and other costs. This measure would alleviate some of the burden and provide balanced relief for local carriers.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on behalf of the members of the Committee on Transportation and International Affairs,

I KALANI ENGLISH Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Transportation and International Affairs TIA

SB 2913	Committee Referral: Date: 1-30-08				
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
ENGLISH, J. Kalani (C)		V.			
GABBARD, Mike (VC)		V,			
ESPERO, Will					
HOOSER, Gary L.					V
INOUYE, Lorraine R.					
TSUTSUI, Shan S.					V
TRIMBLE, Gordon			V		
		No. Series SAT BOUTON HARTHUR			
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		#			
TOTAL		<u></u>			12
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's gignature:					
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