STAND. COM. REP. NO. 764

Honolulu, Hawaii

Moal 6, 2009

RE: H.B. No. 1600 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1600 entitled:

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

begs leave to report as follows:

The purpose of this bill is to exempt from the general excise tax, amounts received by a common paymaster to pay employees of two or more related businesses, on behalf of the related businesses, where the applicable relationship is defined under Section 267(b) of the Internal Revenue Code.

The Pagoda Hotel and Floating Restaurant and two concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Inserting the provisions of the bill in section 237-24.7, Hawaii Revised Statutes (HRS), rather than in section 237-23.5, HRS; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No.

1600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1600, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1600	Committee Referral:	Date	March	2,2009
☐ The committee is reconsidering its previous	ious decision on the measure.			,
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)				
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani	<i>\</i>			
5. BROWER, Tom				
6. CHOY, Isaac W.	V			
7. COFFMAN, Denny	V			
8. HAR, Sharon E.				
9. KEITH-AGARAN, Gilbert S.C.	<i>V</i>			
10. LEE, Chris		78 27 weeps Southing Subjects		
11. NISHIMOTO, Scott Y.				
12. SAGUM, Roland D., III				
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.		# 3		
16. PINE, Kymberly Marcos				
17. WARD, Gene				_ <i>\bullet</i>
TOTAL (17)	16	0	\bigcirc	
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: Marily 3. Lel				
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