STAND. COM. REP. NO. 743

Honolulu, Hawaii

Morchb, 2009

RE: H.B. No. 1748

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. 1748 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE PREMIUM TAXES,"

begs leave to report as follows:

The purpose of this bill is to temporarily increase the insurance premium tax rates on insurers of life insurance contracts from 2.75 percent to 4.265 percent and ocean marine insurance contracts from 0.8775 percent to 4.265 percent. These increases are repealed on December 31, 2015.

The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors - Hawaii, American Council of Life Insurers, and Pacific Guardian Life testified in opposition to this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting the new tax rates to encourage further discussion;
- (2) Clarifying that when the amendments contained in this bill are repealed, the existing provisions of section 431:7-202(b) and (c), Hawaii Revised Statutes, shall be reenacted in the form in which that section read prior to the effective date of this bill; and

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(3) Changing the effective date to July 1, 2020.

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. 1748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1748, 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.: Committee	ee Referral:	Date	Feb 2	1 m 6,2009
☐ The committee is reconsidering its previous 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.	V			
4. AWANA, Karen Leinani	~			
5. BROWER, Tom	<i>-</i>	200		
6. CHOY, Isaac W.	-			
7. COFFMAN, Denny	<i>L</i>			
8. HAR, Sharon E.	<u></u>			
9. KEITH-AGARAN, Gilbert S.C.	V			
10. LEE, Chris	L			
11. NISHIMOTO, Scott Y.	L			
12. SAGUM, Roland D., III	<u></u>			
13. TOKIOKA, James Kunane	上			
14. WOOLEY, Jessica				
15. YAMASHITA, Kyle T.				
16. PINE, Kymberly Marcos		~		
17. WARD, Gene			V	
		,		
	V			
TOTAL (17)	15	1	1	0
The recommendation is: Adopted				
Vice Chair's or designee's signature: Maily B. Lel				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				