CONFERENCE COMMITTEE REP. NO.

Honolulu, Hawaii

Acr: 12 , 2010

RE: H.B. No. 1985 S.D. 1 C.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1985, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to address the current budget shortfall facing the State by, among other things:

- Repealing the tax deduction for amounts given as political campaign contributions for taxable years beginning after December 31, 2010;
- (2) Increasing the tax on individual cigarettes and little cigars by one cent for sales on or after July 1, 2010, and increasing the same tax by an additional one cent for sales on or after July 1, 2011;



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- (3) Temporarily doubling certain fees under sections 431:7-101(a) and (b), Hawaii Revised Statutes, and specifying that the increased fees be deposited equally into the Compliance Resolution Fund and the General Fund; and
- (4)Making permanent the fees for life settlement contract providers and life settlement contract brokers, including license issuance fees.

Your Committee has amended this bill by:

- (1)Extending the sunset for the increase to fees under sections 431:7-101(a) and (b), Hawaii Revised Statutes, from July 1, 2013, to July 1, 2014;
- (2) Changing the effective date of this bill from July 1, 2050, to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1985, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1985, S.D. 1, C.D. 1.

> Respectfully submitted on behalf of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

RCUS R.

DONNA MERCADO KIM, Chair

OSHIRO.

HB1985 CD1 HCCR HMS 2010-3167

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Hawaii State Legislature

CCR 5-10

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 1985, SD 1					Date/Time: Apr. 12, 2010				
The recommendation of the House and Senate managers is to pass with amendments (CD).									
The Committee is reconsidering its previous decision.									
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KIM, Donna Mercado, Chr.					OSHIRO, Marcus R., Chr.		_		
KOKUBUN, Russell S.					CHONG, Pono	/			
KIDANI, Michelle					CHOY, Isaac W.	-			
					LEE, Marilyn B.	1			
				1	WARD, Gene				~
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TOTAL	3	0	0	0	TOTAL	4	0	D	1
$\mathbf{A} = Aye \qquad \qquad \mathbf{WR} = Aye \text{ with Reservations}$					s N = Nay E	= Exc			
Senate Recommendation is:					House Recommendation is:				
Adopted Not Adopted				Adopted Not Adopted					
Senate Lead Chair's or Designee's Signature:				House Lead Chair's or Designee's Signature:					
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