STAND. COM. REP. NO. 3031

Honolulu, Hawaii APR - 1 2010

RE:

H.B. No. 2783

H.D. 2 S.D. 2

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

## Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2783, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide a permanent general excise tax exemption for: condominium common expenses paid by managers, submanagers, and suboperators; and hotel employee expenses paid by hotel operators and timeshare projects.

The measure also clarifies that the cap on the general excise tax exemption for amounts received in certain hotel and timeshare transactions under Act 239, Session Laws of Hawaii 2007, refers to the aggregate amount of tax exempted and not to gross receipts.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that making these general excise tax exemptions permanent removes disincentives for owners to pay higher wages, provide higher levels of employee benefits, and employ the services of local operators and vendors.

Your Committee has amended this measure by changing the effective date to January 1, 2020, to facilitate further discussion on the measure.

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. 2783, 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. 2783, H.D. 2, S.D. 2.

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

DONNA MERCADO KIM, Chair

## The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral: Date:					
HB 2783 HDZ SDI	CPIU/TSW, WAIM 3/31/10					
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 (WI	7)	Nay	Excused
KIM, Donna Mercado (C)		1				
TSUTSUI, Shan S. (VC)	The state of the s	16				
CHUN OAKLAND, Suzanne		7	-			
ENGLISH, J. Kalani						
FUKUNAGA, Carol		1				
GALUTERIA, Brickwood		1				
HEE, Clayton		1				
HOOSER, Gary L.		1				
KIDANI, Michelle N.						
KOKUBUN, Russell S.		1/245				
TOKUDA, Jill N.						
HEMMINGS, Fred						
	5. gz 5.05 py.6.11 mg k 1-2.7 1 (511.25)			1900 N. 1900 N		34 8 5 K 2 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
				Ja 46 B		
TOTAL		12	0		0	<b>2</b>
Recommendation:  Adopted Not Adopted						
Chair's or Designee's Signature:						
Distribution: Original Yellow Pink Goldenrod						
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