

Honolulu, Hawaii

, 2010

APR 22 2010

RE: S.B. No. 2643  
S.D. 1  
H.D. 1  
C.D. 1

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

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2643, S.D. 1, H.D. 1, entitled:

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

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 measure is to:

- (1) Make the general excise tax exemption for condominium common expenses paid by managers, submanagers, and suboperators, and for hotel employee expenses paid by hotel operators and timeshare projects permanent;
- (2) Make the \$400,000 limit on the general excise tax exemption established under Act 196, Session Laws of Hawaii 2009 permanent; and



- (3) Make the general excise tax exemption retroactive to July 1, 2006.

Your Committee finds that Act 239, Session Laws of Hawaii 2007, established a general excise tax exemption for condominium submanagers, suboperators, and timeshare associations. This tax exemption was set to expire on December 31, 2009. In 2009, the Legislature extended the tax exemption in Act 196, Session Laws of Hawaii 2009, through December 31, 2010. Act 196 also included an aggregate cap of \$400,000 for the tax exemption.

Your Committee further finds that, in enacting this general excise tax exemption, the Legislature intended to level the playing field with regard to similarly situated entities for the payment of monies to a hotel operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits, including retirement, vacation, sick pay, and health benefits. Therefore, the exemption for condominium submanagers, suboperators, and timeshare associations should be made permanent.

Your Committee notes that in passing Act 196, Session Laws of Hawaii 2009, the Legislature intended to impose a \$400,000 cap on the tax liability amount, not the gross receipts amount. Accordingly, your Committee further finds that Act 196, Session Laws of Hawaii 2009, should be clarified to reflect that the aggregate cap of \$400,000 should apply to the aggregate tax liability, not gross receipts.

Your Committee on Conference has amended this measure by:

- (1) Deleting its contents and reverting back to the contents of the S.D. 1 version of S.B. No. 2643, which includes the general excise tax exemption and same limitation amount, but keeps the general excise tax exemption temporary by retaining it in the Session Laws of Hawaii;
- (2) Extending the repeal date of section 4 of Act 239, Session Laws of Hawaii 2007, as amended by section 5 of Act 196, Session Laws of Hawaii 2009, to December 31, 2014; and
- (3) Changing the effective date to July 1, 2010.

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 S.B. No. 2643, S.D. 1, H.D. 1, as amended herein, and recommends



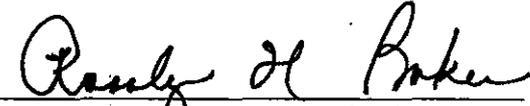
that it pass Final Reading in the form attached hereto as S.B. No. 2643, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

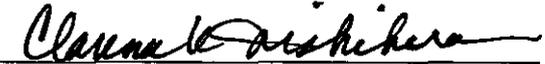
ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

  
\_\_\_\_\_  
JOEY MANAHAN, Co-Chair

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair

  
\_\_\_\_\_  
GLENN WAKAI, Co-Chair

  
\_\_\_\_\_  
CLARENCE K. NISHIHARA, Co-Chair

  
\_\_\_\_\_  
JAMES KUNANE TOKIOKA, Co-Chair

  
\_\_\_\_\_  
DONNA MERCADO KIM, Co-Chair



Hawaii State Legislature

75-10

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2643, SD1, HD1	Date/Time: 4-20-2016 2:40 pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

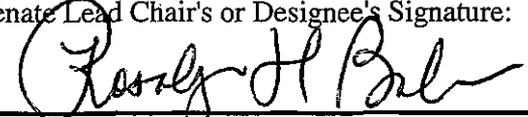
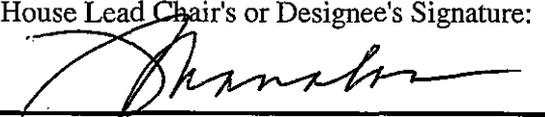
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
Baker	✓				Manahan	✓			
Nishihara	✓				Wakai	✓			
Kim	✓				Tokioka	✓			
Hemmings				✓	Choy				✓
					Finnegan		✓		
TOTAL	3	-	-	1	TOTAL	3	1	-	1

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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Distribution:      Original      Yellow      Pink      Goldenrod  
 File with Conference Committee Report      House Clerk's Office      Senate Clerk's Office      Drafting Agency