

STAND. COM. REP. NO.

2401

Honolulu, Hawaii

FEB 26 2010

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

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 S.B. No. 2643, 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 repeal the sunset date of (and thereby make permanent) a law that provides an excise tax exemption for amounts received by a submanager of a condominium association of apartment owner under chapter 514A, Hawaii Revised Statutes.

The measure also repeals the sunset date of a law that provides an excise tax exemption for amounts received as employee wages and benefits by an operator of a hotel from a timeshare association and amounts received by the suboperator of a hotel from the owner of the hotel, timeshare association, or the operator of a hotel.

Your Committee received written comments in support of this measure from Marriott Vacation Club and Outrigger Hotels. The Tax Foundation of Hawaii submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that making these tax exemptions permanent will not only clarify the general excise tax law but will also remove disincentives for owners to pay higher wages,



provide higher levels of employee benefits, and employ the services of local operators and vendors.

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 S.B. No. 2643, S.D. 1, and recommends that it pass Third Reading.

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.:* SB 2643 SDI	Committee Referral: CPN/TSM, NAM	Date: 2/22/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
TOTAL	10	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

***Only one measure per Record of Votes**