STAND. COM. REP. NO.

Honolulu, Hawaii March 4 , 2011

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RE: H.B. No. 418 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 418 entitled:

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

begs leave to report as follows:

The purpose of this bill is to facilitate the remittance of general excise taxes by permitting the payment of general excise taxes at certain chartered or licensed financial institutions. This measure requires these financial institutions to pay remittances to the state treasury and report receipts to the Department of Taxation.

The Hawaii Bankers Association opposed this bill. The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual provided comments.

Your Committee has amended this bill by deleting its contents and replacing them with provisions that:

- Decrease from \$100,000 to \$50,000, the tax liability threshold at which the Director of Taxation is authorized to require the person to remit taxes by one of the approved electronic funds transfer methods; and
- (2) Decrease from \$40,000 to \$20,000, the threshold of annual tax liabilities applying to the withholding of taxes on wages at which the Director of Taxation is



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authorized to require the person to remit taxes by one of the approved electronic funds transfer methods.

Your Committee has further amended this bill by changing its effective date to July 1, 2030, to encourage further discussion.

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. 418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 418, 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-sixth Legislature



## **Record of Votes of the Committee on Finance**

Bill/Resolution No.: HB418	Committee Referral: FIN	Date	3/2/1	· · · · · · · · · · · · · · · · · · ·
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: D Pass, unamended (as is) Pass, with amendments (HD) D 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)	· · ·		· · · · ·	
2. LEE, Marilyn B. (VC)				
3. CHONG, Pono				
4. CHOY, Isaac W.				
5. COFFMAN, Denny				
6. CULLEN, Ty				
7. HAR, Sharon E.	1			
8. HASHEM, Mark J.			•	
9. ICHIYAMA, Linda	Ú			
10. JORDAN, Jo	1			
11. LEE, Chris				
12. MORIKAWA, Dee				
13. TOKIOKA, James Kunane	L			
14. YAMASHITA, Kyle T.				
15. MARUMOTO, Barbara C.	V			
16. RIVIERE, Gil				
17. WARD, Gene				1
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TOTAL (17)	16	$\mathcal{O}$	Ò	1
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Mail Blow				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				