STAND. COM. REP. NO.

Honolulu, Hawaii

Fel 7 , 2011

RE: H.B. No. 802

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 802 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION, "

begs leave to report as follows:

HB802 HSCR CPC HMS 2011-1732

The purpose of this bill is to increase State revenue by temporarily increasing from January 1, 2011, to December 31, 2015, the tax rate on banks and other financial corporations from:

- (1) 7.92 percent to 8.32 percent on Entire Net Income; and
- (2) Four percent to 4.2 percent on the net capital gain component of the Alternate Tax.

The Hawaii Bankers Association and Hawaii Financial Services Association opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 802 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

HB802 HSCR CPC HMS 2011-1732

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ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

HSCR 44

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 802 Committee Referral: CPC, FIN Date: 13/201				
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. YAMANE, Ryan I. (VC)	<u> </u>			
3. BROWER, Tom				·
4. CABANILLA, Rida T.R.				
5. CARROLL, Mele				
6. ITO, Ken				/
7. KEITH-AGARAN, Gilbert S.C.				
8. LUKE, Sylvia				
9. McKELVEY, Angus L.K.				
10. MORITA, Hermina M.			<u>, , , ,</u>	
11. OSHIRO, Blake K.				
12. SOUKI, Joseph M.				
13. TSUJI, Clift				
14. CHING, Corinne W.L.	-			
15. MARUMOTO, Barbara C.				
16. THIELEN, Cynthia				
· '	<u> </u>			
TOTAL (16)	8	3	2	3
The recommendation is: I Adopted Not Adopted If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				