

JAN 20 2012

A BILL FOR AN ACT

RELATING TO THE REPEAL OF ACT 105, SESSION LAWS OF HAWAII 2011.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 105, Session
2 Laws of Hawaii 2011 was intended to address the State's general
3 fund budget shortfall. Act 105 called for the temporary
4 suspension of the general excise and use tax exemptions in
5 specific circumstances. The suspension of exemptions and
6 imposition of the tax commenced on July 1, 2011, and is
7 scheduled to end on June 30, 2013.

8 The legislature finds that Act 105, and its combined
9 pyramiding effect in many industries, has hindered economic
10 development in Hawaii and has increased and pyramided costs
11 relating to contractors, materials and products related to
12 agriculture, construction, residential and affordable housing,
13 construction, tourism, airlines, commercial and industries, high
14 technology research and development grants, and enterprise zone
15 businesses and construction.

16 Negative effects of Act 105 have included, but are not
17 limited to, higher airline costs, added shipping surcharges, new
18 costs for sub contractors and sub lessees, and burdens upon non-



1 profit entities. Additionally, previously tax-excluded utility,
2 maintenance and other separated cost items of condominium
3 associations have been subjected to the General Excise Tax on
4 Oahu pursuant to Act 105.

5 During the legislative process, concerns were publicly
6 raised about the effects of the bill. Dozens of citizens opposed
7 the changes to the General Excise Tax, and many noted that a
8 burden was being placed back upon the people of Hawaii while the
9 government continued without change. Despite these concerns,
10 the legislature passed Act 105, Session Laws of Hawaii 2011 into
11 law. Act 105 has increased the cost of living of the people of
12 Hawaii and the cost of doing business within our State. The
13 legislature notes that the people who are struggling to meet
14 their expenses, and the businesses that are trying to get by in
15 this touch economic climate, have been severely harmed by this
16 Act.

17 In light of the continuing negative effects of this law,
18 the legislature finds that it is in the best interests of the
19 State to repeal Act 105, Session Laws of Hawaii 2011.

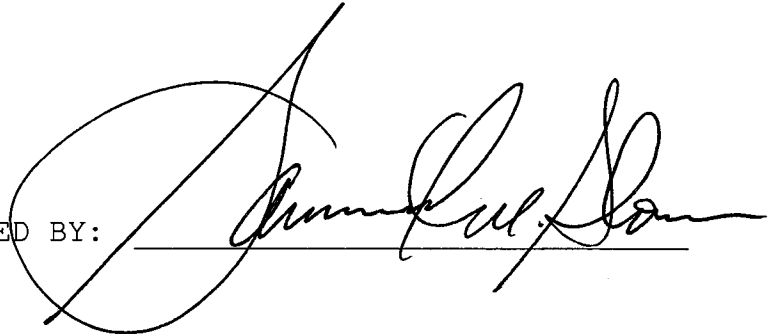
20 SECTION 2. Act 105, Session Laws of Hawaii 2011, is
21 repealed.

22 SECTION 3. This Act shall take effect upon its approval.



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INTRODUCED BY:

A large, stylized handwritten signature, likely "Dennis P. Don", is written over a horizontal line. The signature is in black ink and features a large, looping initial "D".



S.B. NO. 2618

Report Title:

General Excise Tax; Repeal Act 105

Description:

Repeals Act 105, Session Laws of Hawaii 2011.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

