STAND. COM. REP. NO. 2100

Honolulu, Hawaii

FEB 1 0 2012

RE: S.B. No. 2978

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committee on Transportation and International Affairs, to which was referred S.B. No. 2978 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide a tax deduction for the amount of interisland airplane carrier landing fees and terminal facility lease rents in any county with a population of less than 500,000 persons.

Your Committee received testimony in opposition of this measure from the Department of Transportation. Comments were received from the Department of Taxation, State Attorney General, Tax Foundation of Hawaii, and Hawaiian Airlines.

Your Committee finds that small turbo propeller airplanes play a vital role in the transport or conveying of baggage, passengers, and goods between the islands of this State.

The services provided by these airplanes are particularly critical for Hawaii's isolated rural communities, which often have few or no alternative means of transportation. In today's highly competitive economy, the operators of these small airplanes struggle to maintain and expand their operations to serve Hawaii's residents.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the

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intent and purpose of S.B. No. 2978 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Transportation and International Affairs,

J. KALANI ENGLISH, Chair

## The Senate Twenty-Sixth Legislature State of Hawai'i

## Record of Votes Committee on Transportation and International Affairs TIA

Bill / Resolution No.:* Committee Referral: Date:					
SB 2978	TIA, WAM 2/8/12				
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)		/			
ESPERO, Will (VC)					
DELA CRUZ, Donovan M.					
GABBARD, Mike		~		1	
KAHELE, Gilbert		~			
KOUCHI, Ronald D.					
SLOM, Sam					
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S. C. S.		-			
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TOTAL		5			2
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:					
<b>Distribution:</b> Original File with Committee R	Yellow eport Clerk's Office		Pink Goldenrod Drafting Agency Committee File Copy		
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\*Only one measure per Record of Votes