Honolulu, Hawaii FCbYVAM Z7, 2014

RE: H.B. No. 1651 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1651 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to require the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller.

The Chamber of Commerce Hawaii and Walgreens Co. testified in support of this measure. An individual testified in opposition of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure 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. 1651, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1651, H.D. 1.

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Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LOKE, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

The Twenty-seventh Legislature HSCL 785.14

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 1651	JUD, FIN		2/19/2014	
θ The committee is reconsidering its prev	ious decision on the measure.			
	unamended (as is) Pas short form bill with HD to reco	es, with amendments		
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo			1521-16	
8. KOBAYASHI, Bertrand				
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee				
11. ONISHI, Richard H.K.				
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.				
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth			//	
17. WARD, Gene				
TOTAL (17)	(2	l	2	2
The recommendation is: Ado		did not supp	ort recommendatio	n.
Vice Chair's or designee's signature.	20			
Distribution: Original (White) – Commit	ttee Duplicate (Yellow) -	- Chief Clerk's Offic	e Duplicate (l	Pink) – HMSO