

Honolulu, Hawaii April 8 , 2016 RE: S.B. No. 2928 S.D. 2 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2928, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX REPORTING FOR SPECIAL EVENTS,"

begs leave to report as follows:

The purpose of this measure is to strengthen enforcement of, and ensure compliance with, Hawaii's general excise tax law. More specifically, this measure:

- Requires the Department of Taxation (Department) to develop an online form, to be filled out by each special event operator, that contains specific information regarding sellers engaging in business at the operator's special events;
- (2) Requires each special event operator to submit the completed form to the Department whenever the operator files the operator's periodic general excise tax returns with the Department, provided that a special event occurred during the reporting period;
- (3) Authorizes the Department to issue citations that include fines to special event operators who fail to comply with the reporting requirements;



STAND. COM. REP. NO. 159 -16 Page 2

- (4) Allows the Department to waive for reasonable cause the issuance of any citation for failure by special event operators to comply with the reporting requirements regarding sellers at a special event; and
- (5) Provides an exemption for persons already exempt from general excise tax laws from being considered as an operator of a special event.

The Hawaii Food Industry Association, Hawaii Alliance of Nonprofit Organizations, and two concerned individuals testified in opposition to this measure. The Department of Taxation, Stadium Authority, and Tax Foundation of Hawaii provided comments.

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 S.B. No. 2928, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

Chair TITKE.



State of Hawaii

House of Representatives The Twenty-eighth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 2928, SD2, HD1	Committee Referral: EDB, FIN	Date: 4/1	/16	
The committee is reconsidering its prev	vious decision on the measure.	S		
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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. DeCOITE, Lynn				
6. JOHANSON, Aaron Ling				
7. JORDAN, Jo				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. ONISHI, Richard H.K.				
13. TOKIOKA, James Kunane				
14. YAMASHITA, Kyle T.				
15. POUHA, Feki				
16. WARD, Gene		_	-	
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TOTAL (16)				
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				