STAND. COM. REP. NO. 2284

Honolulu, Hawaii -

FEB 1 8 2016

RE: S.B. No. 3075

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Transportation and Energy, to which was referred S.B. No. 3075 entitled:

"A BILL FOR AN ACT RELATING TO TRAILERS,"

begs leave to report as follows:

The purpose and intent of this measure is to require an owner of a trailer bought out-of-state and subsequently brought into the State to provide proof of payment of the use tax with the application for registration unless otherwise exempt.

Your Committee received testimony in support of this measure from Hawaii Specialty Vehicles LLC. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that there is an inconsistency in the collection of taxes for trailers being registered in the State. Businesses and individuals who buy trailers out-of-state and then import the trailers to Hawaii are often not assessed the use tax. This measure will ensure that the use tax shall be applied to all trailers, regardless of the origin of sale.

Your Committee has amended this measure on the recommendation of the Department of Taxation by:

(1) Eliminating redundant language in the measure; and

(2) Changing the effective date to January 1, 2017, to give the Department additional time to implement the new requirements.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3075, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Transportation and Energy,

LORRAINE R. INOUYE, Chair

The Senate Twenty-Eighth Legislature State of Hawaiʻi

Record of Votes Committee on Transportation and Energy TRE

Bill / Resolution No.:*	Committee	Referral:	Date	_	
<u> </u>	TRE	En WA	W Fo	b. 10,	2016
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
INOUYE, Lorraine R. (C)		/			
GABBARD, Mike (VC)	-				/
CHUN OAKLAND, Suzanne		/			
ENGLISH, J. Kalani					
KIDANI, Michelle N.		/			
NISHIHARA, Clarence K.					/
SLOM, Sam					

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		2 4			
TOTAL		4			3
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee Re	Yellow Pink Goldenrod eport Clerk's Office Drafting Agency Committee File Copy				

^{*}Only one measure per Record of Votes