Honolulu, Hawaii , 2021 **FEB 18** RE: H.B. No. 1184 H.D. 1

STAND. COM. REP. NO.

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 1184 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to exempt the sale of precious metal bullion from the general excise tax.

Your Committee received testimony in support of this measure from the Industry Council for Tangible Assets, Inc.; Foundation for the Advancement of Monetary Education, Ltd.; Sound Money Defense League; Liberty Coin Service; and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that previous metal bullion, such as gold and silver, have a major distinction from other tangible assets that are subject to sales and use tax in that they are not consumed, but acquired as collectibles or investments to be sold. This measure removes the disincentives for residents who choose to hold onto gold and silver for these purposes.

Your Committee notes the request in testimony from the Department of Taxation to postpone the effective date of this measure to January 1, 2022, to provide the Department with time to



STAND. COM. REP. NO. **436** Page 2

make the necessary forms, instructions, and computer system changes.

Your Committee has amended this measure by:

- Clarifying the definition of "precious metal bullion" to apply to coins, bars, or rounds minted primarily of refined gold or silver; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1184, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Economic Development,

SEAN OUINLAN, Chair



State of Hawaii House of Representatives The Thirty-first Legislature



## **Record of Votes of the Committee on Economic Development**

ill/Resolution No.:Committee Referral:Date:HB[184]ECD, FIN2/12/2/				
$\theta$ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: $\theta$ Pass, unamended (as is) $(\theta)$ Pass, with amendments (HD) $\theta$ Hold $\theta$ Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)				
2. HOLT, Daniel (VC)	$\checkmark$			
3. BELATTI, Della Au				
4. KOBAYASHI, Dale T.	J		la ville al la construction data data data data data data data dat	
5. ONISHI, Richard H.K.	<i></i>			
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6. SAYAMA, Jackson D.				
7. TAKAYAMA, Gregg				
8. OKIMOTO, Val				
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TOTAL (8)	1	D	D	
The recommendation is:				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				