



GOV. MSG. NO. 173

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

December 29, 2005

The Honorable Robert Bunda  
and Members of the Senate  
Twenty-Third State Legislature  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

For your information and consideration, I am transmitting herewith two (2) copies of the required document regarding the streamlined sales tax project required by Act 3, SLH 2005. The Department of Taxation was required by Act 3 to submit proposed legislation to the Legislature for its enactment prior to January 1, 2007 to conform Hawaii's tax laws to the Streamlined Sales and Use Tax Agreement.

In order to conform to the Streamlined Sales and Use Tax Agreement, the State would need to establish one rate of tax with some exceptions. To comply with this requirement, the report's proposed legislation exempts businesses owned by disabled persons from general excise taxation at an estimated revenue loss of approximately \$500,000.

Pursuant to section 93-16, Hawaii Revised Statutes, I am informing you that the report may be viewed electronically at [www.hawaii.gov/tax](http://www.hawaii.gov/tax).

Transmittal of this report does not imply endorsement of or agreement with its contents.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

Enclosures

cc: Chairperson of the Senate Ways and Means Committee