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# A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 237-18, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:

3 "(e) Where [~~insurance~~] the following professionals:

4 (1) [~~agents, including general agents, subagents, or~~  
5 ~~solicitors,~~] Insurance producers who are not employees  
6 and are licensed pursuant to chapter 431[~~, or real~~];

7 (2) Real estate brokers or salespersons, who are not  
8 employees and are licensed pursuant to chapter 467[~~7~~];  
9 or

10 (3) Investment securities brokers, or a "broker" as that  
11 term is defined under section 490:8-102, or agents,  
12 who are not employees and who provide services  
13 pursuant to chapter 490, article 8,

14 produce commissions [~~which~~] that are divided between [~~such~~  
15 ~~general agents, subagents, or solicitors, or between such] those~~  
16 insurance producers; real estate brokers [~~or~~] and  
17 salespersons[~~7~~]; or investment securities brokers and agents, as

18 the case may be, the tax levied under section 237-13(6) as to



1 real estate brokers or salespersons~~(7)~~ and investment securities  
2 brokers or agents, or under section 237-13(7) as to insurance  
3 [~~general agents, subagents, or solicitors~~] producers shall apply  
4 to each [~~such~~] person with respect to the person's portion of  
5 the commissions, and no more."

6 SECTION 2. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect upon its approval  
9 and shall apply to taxable years beginning after  
10 December 31, 2005.

SB2499, SD2

**Report Title:**

Investment Securities; Broker and Agent; General Excise Tax

**Description:**

Requires an investment broker and agent who share compensation for their services to pay the general excise tax for only that portion of the compensation retained by each. (SD2)

