

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 2746  
H.D. 3

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2746, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO AVIATION FUEL TAXES,"

begs leave to report as follows:

The purpose of this bill is to exempt from the general excise and use tax, aviation fuel purchased or used for inter-island and intra-island air transportation by common carriers.

Aloha Airlines and Hawaiian Airlines testified in support of this bill. The Department of Taxation offered comments.

While cognizant of the vital role the inter-island air carriers play and the essential transportation services they provide, your Committee notes its concern over the manner in which the major carriers have treated their employees during bankruptcy proceedings, negotiations, and reorganizations.

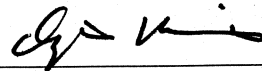
Much debate has occurred over cost considerations, factors that affect employment and compensation of numerous airline employees. Additionally, despite attempts to cut costs to the detriment of employees, airline consumers have continued to see airfares increase substantially. Your Committee, therefore, urges continued discussion on the merits of this measure while taking all aspects of this industry into consideration.



Accordingly, your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

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 H.B. No. 2746, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2746, H.D. 3.

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




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DWIGHT TAKAMINE, Chair



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2746 HD2		Date: 3-2-06		
Committee Referral: TRN, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose		✓		
16. MOSES, Mark S.	✓			
17. PINE, Kymberly		✓		
18. STEVENS, Anne V.				✓
TOTAL	15	2		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
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