

Honolulu, Hawaii

APR - 7 2006

RE: H.B. No. 487
H.D. 1
S.D. 3

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 487, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to exempt fuel sold to common carrier airlines for use in inter-island or intra-island transportation from general excise and use taxes.

Your Committee notes that many airlines, including the two locally based inter-island carriers, are experiencing difficult financial times, in part due to the soaring costs of fuel. Sales of fuels sold from a foreign trade zone for use by airlines in interstate commerce are exempt from the State's general excise and use taxes. This measure will extend that exemption to fuel used in inter-island and intra-island transportation.

Your Committee has amended this measure by:

- (1) Placing an unspecified limit on the amount of the exemption that a common carrier can claim in any taxable year;
- (2) Changing the effective date of this measure to July 1, 2050, to facilitate further discussion on this measure; and



- (3) Making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 487, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 487, H.D. 1, S.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Ways and Means
(Bills and Resolutions)

Measure:*	Committee Referral:	Date:
HB 487 HD1 SD2	TGO, WAM	4/3/06
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is to:		
<input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)		
Members	Ayes	Ayes(WR)
Nays	Excused	
TANIGUCHI, Brian T. (C)	/	
TSUTSUI, Shan S. (VC)	/	
ENGLISH, J. Kalani	/	
ESPERO, Will	/	
FUKUNAGA, Carol	/	
HOOSER, Gary L.	/	
INOUE, Lorraine R.	/	
KANNO, Brian	/	
KIM, Donna Mercado	/	
KOKUBUN, Russell S.	/	
NISHIHARA, Clarence K.	/	
SAKAMOTO, Norman	/	
HEMMINGS, Fred	/	
SLOM, Sam	/	
TRIMBLE, Gordon		/
TOTAL	14	0
		0
		1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Do not list more than one measure per Record of Votes.