

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2499  
S.D. 1

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

Sir:

Your Committee on Commerce, Consumer Protection, and Housing,  
to which was referred S.B. No. 2499 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose of this measure is to require an investment securities broker and an agent who share compensation for their services to pay the general excise tax for only that portion of the compensation retained by each.

Testimony in support of this measure was submitted by Cades Schutte, Linsco/Private Ledger Corp., and the National Association of Insurance and Financial Advisors. Testimony in opposition to this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that it is fair and equitable to treat the security sales industry the same as the insurance and real estate sales industry by eliminating the double taxation of security brokers and their local agents.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2499, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as S.B. No. 2499, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Housing,

  
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RON MENOR, Chair



