

Honolulu, Hawaii

Feb. 13, 2006

RE: S.B. No. 2768
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 Transportation and Government Operations,
to which was referred S.B. No. 2768 entitled:

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

begs leave to report as follows:

The purpose of this short form measure is to amend the law
relating to the aviation fuel tax.

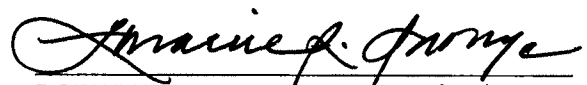
Your Committee has amended this measure by replacing its
contents with language to exempt from the general excise tax, use
tax, and fuel taxes the aviation fuel used in intrastate air
transportation and transportation between the State and the
mainland.

Your Committee notes that there is no tax known as the
"aviation fuel tax." This measure applies to the taxes that tax
aviation fuel.

As affirmed by the record of votes of the members of your
Committee on Transportation and Government Operations that is
attached to this report, your Committee is in accord with the
intent and purpose of S.B. No. 2768, as amended herein, and
recommends that it pass Second Reading in the form attached hereto
as S.B. No. 2768, S.D. 1, and be recommitted to the Committee on
Transportation and Government Operations, for further
consideration.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Government Operations,


LORRAINE R. INOUE, Chair

