

STAND. COM. REP. NO.

1052

Honolulu, Hawaii

MAR 15 2007

RE: H.B. No. 1414
H.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Intergovernmental and Military Affairs, to which was referred H.B. No. 1414, H.D. 1, entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR DEPARTMENT OF TAXATION COUNTY SURCHARGE IMPLEMENTATION COSTS,"

begs leave to report as follows:

The purpose of this measure is to make an emergency appropriation to the Department of Taxation to address unbudgeted expenses incurred by the Department in implementing the administration of the county surcharge on State General Excise Tax.

Specifically, this measure appropriates \$5,000,000 for fiscal year 2006-2007, to the Department of Taxation to address these expenses.

Your Committee received testimony in support of this measure from the Department of Taxation and the City and County of Honolulu.

Your Committee finds that pursuant to the requirements set forth in Article VII, Section 9, of the Constitution of the State of Hawaii, the Governor, in Governor's Message No. 240 to the Legislature, requested immediate consideration and passage of this measure by the Legislature, citing an existing critical funding shortage.




Your Committee further finds that this measure provides funding in order to:

- (1) Assure that the City and County of Honolulu's county surcharge on State General Excise Tax is not adversely impacted; and
- (2) Ensure the ability to obtain federal funding of the City and County of Honolulu's mass transit project.

The intent of your Committee is to reimburse the Department of Taxation for unbudgeted and unfunded costs incurred in implementing and administering the City and County of Honolulu surcharge on State General Excise Tax.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on
behalf of the members of the
Committee on Intergovernmental
and Military Affairs,


LORRAINE R. INOUE, Chair



