

Honolulu, Hawaii

May 1, 2007

RE: S.B. No. 1133
S.D. 3
H.D. 1
C.D. 1

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

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1133, S.D. 3, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Make permanent the increase of the rental motor vehicle surcharge tax from \$2 to \$3 by repealing the sunset provision in the law that authorized the increase; and
- (2) Require the Legislative Reference Bureau to conduct a review of the State Highway Fund.

Your Committee on Conference has amended this measure by:

- (1) Adding a findings and purpose section;



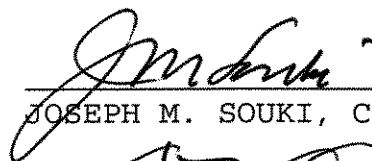
- (2) Extending the sunset provision of the \$3 surcharge period from August 31, 2007, to August 31, 2008;
- (3) Replacing the Legislative Reference Bureau with a joint Senate and House of Representatives task force as the entity to conduct a review of the State Highway Fund; and
- (4) Changing the effective date of the Act from July 1, 2020, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1133, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1133, S.D. 3, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

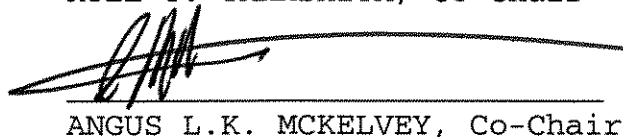
ON THE PART OF THE SENATE

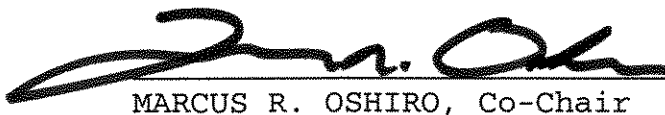

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