

Honolulu, Hawaii

April 27, 2007

RE: S.B. No. 678
S.D. 1
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. 678, S.D. 1, H.D. 1, entitled:

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

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 exempt from the general excise tax amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made pursuant to a contract with the Hawaii Tourism Authority (HTA).

Existing law requires that the general excise tax be imposed on the operator of the Hawaii Convention Center based on the gross income that the operator derives from its contract with HTA, including the costs and advances that the operator receives for operating the convention center. Since the moneys that are paid to the operator are paid out of the Convention Center Enterprise Special Fund, some of the moneys that should be used to operate the



convention center are in fact being used to pay the operator's general excise tax obligation. Exempting the costs and advances from the general excise tax in this case would make those moneys available for the marketing and operations of the Convention Center in accordance with the HTA contract.

Your Committee on conference has amended this measure by changing the effective date from July 1, 2030, 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. 678, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 678, S.D. 1, 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



 RYAN I. YAMANE, Co-Chair



 CLARENCE K. NISHIHARA, Chair



 JOEY MANAHAN, Co-Chair



 WILL ESPERO, Co-Chair



 SHAN S. TSUTSUI, Co-Chair



