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# A BILL FOR AN ACT

RELATING TO THE GENERAL EXCISE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 237-18, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:  
3           "(e) Where [~~insurance agents, including general agents,~~  
4 ~~subagents, or solicitors,~~] commissions are produced by:  
5           (1) Insurance producers who are not employees and are  
6           licensed pursuant to chapter 431[ ~~or real~~];  
7           (2) Real estate brokers or salespersons, who are not  
8           employees and are licensed pursuant to chapter 467[ ~~or~~  
9           ~~producee~~]; or  
10           (3) Securities professionals, including brokers, dealers,  
11           salespersons, and investment advisers who are not  
12           employees and are licensed pursuant to chapter 485 or  
13           applicable federal securities laws,  
14 and the commissions [~~which~~] are divided between [~~such general~~  
15 ~~agents, subagents, or solicitors, or between such~~] those  
16 insurance producers, or real estate brokers [~~or~~] and  
17 salespersons, or securities professionals, as the case may be,  
18 the tax levied under section 237-13(6) as to real estate brokers



1 or salespersons~~[7]~~ and securities professionals, or under  
2 section 237-13(7) as to insurance [~~general agents, subagents, or~~  
3 ~~solicitors~~] producers, shall apply to each [~~such~~] person with  
4 respect to the person's portion of the commissions, and no  
5 more."

6 SECTION 2. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2007; and  
9 shall apply to gross income or gross proceeds received after  
10 June 30, 2007.



**Report Title:**

Investment Securities; Broker and Agent; General Excise Tax

**Description:**

Requires an investment broker and agent who share compensation for their services to pay the general excise tax on only that portion of the compensation retained by each. Effective 7/1/07.  
(SD1)

