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# SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF TAXATION TO EXAMINE THE PAYMENT OF  
GENERAL EXCISE TAXES ON ALL COMMISSIONS EARNED BY  
MANUFACTURER'S SALES REPRESENTATIVES FROM SALES OF IMPORTED  
TANGIBLE PERSONAL PROPERTY THAT IS PURCHASED BY A CONSUMER  
DIRECTLY FROM THE MANUFACTURER.

1           WHEREAS, the payment of general excise taxes by taxpayers  
2 is the State's largest source of revenue; and  
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4           WHEREAS, the general excise tax on commissions earned from  
5 sales of imported tangible personal property by sales  
6 representatives of manufacturers who are in the construction  
7 industry annually amounts to over \$2,200,000 in general excise  
8 tax revenues; and  
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10           WHEREAS, some sales representatives operating in Hawaii are  
11 the sole, or exclusive, representative of a specific  
12 manufacturer; and  
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14           WHEREAS, those sole, or exclusive, sales representatives  
15 are often under the control and authority of the manufacturer  
16 they represent, thus the sales representatives are acting in the  
17 capacity of an employee of the manufacturer, whereby the  
18 manufacturer should be assessed general excise taxes on sales of  
19 imported tangible personal property, rather than the sales  
20 representative; and  
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22           WHEREAS, the Legislature would benefit greatly from a  
23 report by the Department of Taxation that analyzes the fiscal  
24 impact and payment of general excise taxes on commissions earned  
25 by manufacturer sales representatives when consumers purchase  
26 imported tangible personal property directly from the  
27 manufacturer; now, therefore,  
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29           BE IT RESOLVED by the Senate of the Twenty-fourth  
30 Legislature of the State of Hawaii, Regular Session of 2008, the  
31 House of Representatives concurring, that the Department of



1 Taxation is requested to analyze the payment of general excise  
2 taxes on commissions earned by sales representatives of  
3 manufacturers from the sales of imported tangible personal  
4 property; and  
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6 BE IT FURTHER RESOLVED that the Department of Taxation is  
7 requested to openly communicate with sales representatives of  
8 manufacturers in the construction industry and progress toward a  
9 fair and adequate resolution to the tax issues surrounding the  
10 payment of general excise taxes by the sales representatives  
11 from sales of imported tangible personal property; and  
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13 BE IT FURTHER RESOLVED that the Department of Taxation is  
14 requested, during its 2008 workshops on tax law changes, to  
15 investigate the fiscal impact of general excise taxes on  
16 commissions earned from sales by a manufacturer's sales  
17 representative of imported tangible personal property that is  
18 purchased by a consumer directly from the manufacturer; and  
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20 BE IT FURTHER RESOLVED that the Department of Taxation is  
21 requested to report its findings on the fiscal impact and  
22 payment of general excise taxes on commissions earned from sales  
23 by a manufacturer's sales representative of imported tangible  
24 personal property that is purchased by a consumer directly from  
25 the manufacturer to the Legislature no later than twenty days  
26 prior to the convening of the 2009 Regular Session; and  
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28 BE IT FURTHER RESOLVED that certified copies of this  
29 Concurrent Resolution be transmitted to the Governor of the  
30 State of Hawaii and the Director of Taxation.

