

STAND. COM. REP. NO. 970 -08

Honolulu, Hawaii
Feb 29, 2008

RE: H.B. No. 2248
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2248, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to recognize a reciprocal insurer and its attorney-in-fact as a single entity that qualifies for the general excise tax exemption for insurers.

The Department of Commerce and Consumer Affairs and Medical Insurance Exchange of California testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

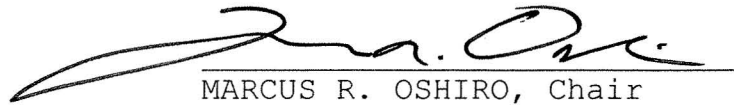
Your Committee has amended this bill by:

- (1) Clarifying that each attorney-in-fact of a reciprocal insurer is exempt from general excise taxes on income or gross receipts derived from its principal business as attorney-in-fact;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2248, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



