

STAND. COM. REP. NO. 1228

Honolulu, Hawaii

March 16, 2007

RE: S.B. No. 1007
S.D. 2
H.D. 1

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1007, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to promote the fair application of the general excise tax (GET) by allowing securities professionals to pay the GET only on their respective share of commissions divided among a number of parties.

Brookstreet Securities Corporation, Linsco/Private Ledger Corp., and a concerned individual testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that insurance agents and real estate brokers and salespersons are only required to pay the GET on their actual share of commissions in cases where the commission is split among a number of parties. This bill extends the same treatment to securities professionals and prevents their commissions from being subjected to the GET more than once.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon this bill's approval; and

SB1007 HD1 HSCR CPC HMS 2007-3053

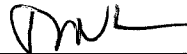


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- (2) Providing that the provisions of this bill apply to gross income or gross proceeds received after December 31, 2006.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1007, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



