

STAND. COM. REP. NO. 1284

Honolulu, Hawaii

March 20, 2007

RE: S.B. No. 704

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

Sir:

Your Committee on Health, to which was referred S.B. No. 704  
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to make a technical amendment  
to the general excise tax law to provide tax preferences to trusts  
with sole beneficiaries who are blind, deaf, or totally disabled.

Specifically, this measure extends to a trust with a sole  
beneficiary who is blind, deaf, or totally disabled an exemption  
from the general excise tax on the first \$2,000 in gross income  
that is otherwise applicable to businesses owned by persons who  
are blind, deaf, or totally disabled.

This measure also assesses a general excise tax rate of one-  
half of one per cent in such business trusts.

Your Committee received oral testimony in support of this  
measure from a concerned individual. Comments on the measure were  
received from the Department of Taxation and the Tax Foundation of  
Hawaii.

Your Committee finds that this measure extends the same tax  
preferences to trusts where the sole beneficiary is blind, deaf,  
or totally disabled as granted to other business organizations run  
by persons who are blind, deaf, or totally disabled, including



sole proprietorships (individuals), corporations, partnerships, and limited liability companies.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 704 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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



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JOSHUA B. GREEN, M.D., Chair



