

STAND. COM. REP. NO.

2673

Honolulu, Hawaii

FEB 29 2008

RE: H.B. No. 1755
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1755, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the tax consequences of the reduced general excise tax rate of 0.5 per cent on service-to-service wholesale transactions.

Specifically, this measure clarifies that the reduced general excise tax rate of 0.5 per cent on service-to-service wholesale transactions applies to dealers that furnish goods or services to fulfill manufacturer warranty obligations to purchasers of the manufacturer's tangible personal property.

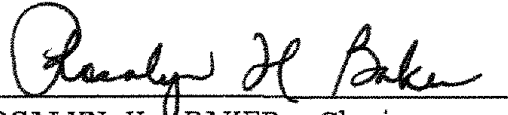
Your Committee received no testimony regarding this measure.

Your Committee finds that this measure clarifies that the reduced general excise rate on service-to-service wholesale transactions, intended to reduce the effects of tax-pyramiding, applies to the service-to-service industry in relation to fulfilling a manufacturer's warranty obligation for tangible personal property.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



