

STAND. COM. REP. NO.

44

Honolulu, Hawaii

FEB 07 2007

RE: S.B. No. 1007

S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1007 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 require an investment
broker and agent who share compensation for their services to pay
the general excise tax on only that portion of the compensation
retained by each.

Your Committee received testimony in support of this measure
from Linsco/Private Ledger Corporation, SunAmerica Securities
Inc., Brookstreet Securities Corporation, the National Association
of Insurance and Financial Advisors Hawaii, and an individual.

Your Committee received comments on this measure from the
Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that where an investment broker and
agent share compensation, each should only be required to pay
taxes on their respective portions, rather than on the entire
compensation.

The intent of this measure is to add investment brokers and
agents to the list of persons in section 237-18, Hawaii Revised
Statutes, who are only required pay general excise tax on the
portion of compensation they retain individually, rather than on
the whole compensation received.


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Your Committee has amended this measure by changing the effective date upon which the new taxing structure applies from gross income or gross proceeds received after December 31, 2006, to gross income or gross proceeds received after June 30, 2007.

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

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



BRIAN T. TANIGUCHI, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:* SB 1007	Committee Referral: CPH, ^{EDT}WAM	Date: 2-2-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
SLOM, Sam	✓			
TOTAL	4			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Amil Y. [Signature]</i></div>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes