

STAND. COM. REP. NO.

679

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1034
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1034, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to provide a specific exemption from the general excise and use taxes for fuel purchased from the foreign trade zone for consumption or use in air transportation.

The Department of Business, Economic Development, and Tourism; Hawaii Airlines; Aloha Airlines; the Transport Workers Union; the International Association of Machinists and Aerospace Workers; the Aircraft Service International Group; the Aloha Airlines Pilots' Union; the Hawaii Chapter of the March of Dimes; and the Chamber of Commerce of Hawaii submitted written comments in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments.

Your Committee finds that purchase of fuel from Hawaii's Foreign Trade Zone should receive similar tax exemptions as purchases of all other products in the foreign trade zone. This measure will help in lowering fuel costs for Hawaii's airline industry.

Your Committee has amended this measure by changing the effective date from July 1, 2007, to July 1, 2050, to further discussion.

2007-1985 SSCR SMA.doc



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 S.B. No. 1034, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1034, S.D. 2.

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




ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1034 SD1	TIA, EDT, WAM	2-23-07		
<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
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
WHALEN, Paul	/			
TOTAL	9	0	0	2
Recommendation:				
<input type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes