

Honolulu, Hawaii

FEB 07 2007

RE: S.B. No. 1500
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 Intergovernmental and Military Affairs, to which was referred S.B. No. 1500 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR DEPARTMENT OF TAXATION COUNTY SURCHARGE IMPLEMENTATION COSTS, "

begs leave to report as follows:

The purpose of this measure is to make an emergency appropriation of \$4,500,000 to the Department of Taxation to address unbudgeted expenses incurred by the Department in implementing the administration of the county surcharge on the State's General Excise Tax provided for under section 46-16.8, Hawaii Revised Statutes.

Testimony in support of the measure was submitted by the State of Hawaii Department of Taxation, and the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee finds that it is necessary to increase the appropriation to the Department of Taxation from \$4,500,000 to \$5,000,000 in order for it to fulfill its obligations with the tax collection system software vendor and to cover expenses related to the administration and collection of the county surcharge on the State's General Excise Tax.

Your Committee further finds that this emergency appropriation is necessary and in the best interest of the public to assure that the City and County of Honolulu's county surcharge




on the State's General Excise Tax is not adversely impacted. An adverse impact could ultimately affect the funding of the City and County of Honolulu's mass transit project, including the ability of the City and County of Honolulu to obtain federal funding for the mass transit project. Failure to provide this emergency appropriation will also result in the City and County of Honolulu surrendering its guarantee for these costs.

In light of these findings your Committee has amended the measure by increasing the amount appropriated from \$4,500,000 to \$5,000,000.

As affirmed by the record of votes of the members of your Committee on Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1500, 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 Intergovernmental
and Military Affairs,


LORRAINE R. INOUE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

Bill / Resolution No.:* SB 1500	Committee Referral: IGM, EDT, WAM	Date: 2/5/07		
<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
INOUE, Lorraine R. (C)	/			
TSUTSUI, Shan S. (VC)	/			
HEMMINGS, Fred				/
TOTAL	2	0	0	1
Recommendation: <input checked="" 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