

STAND. COM. REP. NO.

365

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 1500  
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 Economic Development and Taxation, to which was referred S.B. No. 1500, S.D. 1, 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 \$5,000,000, for fiscal year 2006-2007 to the Department of Taxation to reimburse it for costs incurred in implementing and administering the county surcharge on the state general excise tax, including the costs of the computer vendor.

Testimony in support of this measure was received from the Department of Taxation (Department) and the City and County of Honolulu Department of Budget and Fiscal Services.

Your Committee notes that in information presented at the legislative hearing on February 8, 2007, the Department of Taxation listed total first year operational costs of \$1,708,518, and total vendor costs of \$2,791,482, for total costs of \$4,500,000. In addition, the Department stated that future contingencies are materializing, which led to the request to increase the appropriation to \$5,000,000.

Your Committee finds, however, that the Department has not provided details on the additional \$500,000 request.

2007-1652 SSCR SMA.doc



It is the intent of your Committee to reserve a decision on the final amount of the appropriation until more detailed information is received from the Department of Taxation.

Your Committee has amended this measure accordingly, by:

- (1) Decreasing the appropriation to \$4,500,000, the amount in the original measure; and
- (2) Adding a new section to the bill stating that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 2007-2008 to be exceeded by \$ , or per cent; and the reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the needs provided for by this Act.

As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 1500, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Taxation,



CAROL FUKUNAGA, Chair



The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Economic Development and Taxation**  
**EDT**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB 1500 SDI</i>	<i>IGM, EDT, WAM</i>	<i>2/13/07</i>		
<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
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani				✓
IGE, David Y.	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>3</b>		<b>1</b>	<b>1</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Will Espero</i>				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes