

STAND. COM. REP. NO.

794

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1839
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. 1839, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to authorize the Department of Taxation to execute and provide a funding mechanism to pay for benefits-funded revenue generating initiatives provided by automated or enhanced tax system vendors when measurable increases in revenues resulting from the initiatives are collected by the State.

The income, general excise, and use tax revenues generated from these initiatives would be deposited in an Integrated Tax Services and Management Special Fund (Special Fund) established under this measure and used by the Department of Taxation to enhance its computer system and to streamline related operational procedures. The measure also establishes an unspecified expenditure ceiling for the Special Fund and lapses any revenues contained in the Special Fund that are in excess of an unspecified amount to the credit of the general fund.

The Department of Taxation submitted written comments supporting the intent of this measure. The Tax Foundation of Hawaii submitted written comments.

Your Committee amended this measure to protect the amendments to Section 237-31, Hawaii Revised Statutes, made in this measure

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from the sunset date established in Act 304, Session Laws of Hawaii 2006. Technical, nonsubstantive changes were also made for the purposes of clarity and consistency.

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. 1839, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1839, 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:		
SB 1839 SD1	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	10			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