

STAND. COM. REP. NO. 2769

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2913  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2913, 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 exempt from the general excise and use taxes fuel sold from a foreign trade zone that is used by common carriers for interisland air transportation.

Your Committee received testimony in support of this measure from the Hawaii Chapter of the March of Dimes, Aloha Airlines, the Transport Workers Union, the Aloha Airlines Pilots' Union, the International Association of Machinists and Aerospace Workers, District 141, and the Association of Flight Attendants. The Governor's Tourism Liaison submitted testimony in opposition. Your Committee received comments on the measure from the Tax Foundation of Hawaii.

Your Committee finds that the sale of fuel sold from a foreign-trade zone for use by carriers traveling out-of-state is exempt from general excise and use taxes. However, carriers traveling interisland routes are not exempt.

This measure levels the playing field for interisland carriers by extending the tax exemption enjoyed by carriers traveling out-of-state to carriers traveling interisland.

Your Committee has amended the measure by:

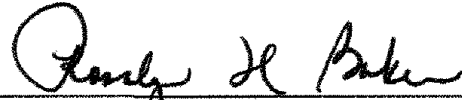
SB2913 SD2 SSCR LRB 08-2080.doc



- (1) Correcting underlying statutory language to reflect the printed version of the Hawaii Revised Statutes at page 2, line 14;
- (2) Clarifying the definition of "interisland air transportation";
- (3) Clarifying references to the tax exemption in appropriate general excise tax and use tax laws; and
- (4) Making technical amendments that have no substantive effect.

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. 2913, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2913, S.D. 2.

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




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ROSALYN D. 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:		
SB2913, SD1	TIA, EDT, WAM	2/21/08		
<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.	/			
INOUYE, Lorraine R.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul	/			
<b>TOTAL</b>	12	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes