

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 2913

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

Madam:

Your Committee on Transportation and International Affairs,
to which was referred S.B. No. 2913 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to exempt common carriers from the general excise and use taxes for fuel sold from a foreign trade zone to common carriers for use in intrastate transportation.


Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; Aloha Airlines; Hawaiian Airlines; and the Hawaii Chapter of March of Dimes. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that airlines in Hawai'i face serious financial challenges as a result of a highly competitive market and increasing fuel and other costs. This measure would alleviate some of the burden and provide balanced relief for local carriers.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2913 and recommends that it pass Second Reading and be referred to the Committee on Economic Development and Taxation.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
International Affairs,



J. KALANI ENGLISH, Chair



