

STAND. COM. REP. NO.

711

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 704

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. 704 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to treat the gross income received by trusts whose sole beneficiary is blind, deaf, or totally disabled in the same way as the gross income received from business or other activities of individuals who are blind, deaf, or totally disabled or of business entities owned or operated by the blind, deaf, or totally disabled under the general excise tax law.

Your Committee received comments in support of this measure from one individual. Written comments were received from the Tax Foundation of Hawaii.

Your Committee finds that the income received by trusts whose sole beneficiaries are blind, deaf, or totally disabled, are currently taxed at the four or the four and one-half per cent rate under the general excise tax law, but should be taxed at the lower rate of one-half per cent in the same way as businesses owned or operated by the blind, deaf, or totally disabled.

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. 704 and recommends that it pass Third Reading.



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



ROSALYN H. BAKER, Chair



