

STAND. COM. REP. NO.

3227

Honolulu, Hawaii

MAR 28 2008

RE: S.R. No. 89
S.D. 1

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

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.R. No. 89 entitled:

"SENATE RESOLUTION REQUESTING THE DEPARTMENT OF TAXATION TO EXAMINE THE PAYMENT OF GENERAL EXCISE TAXES ON ALL COMMISSIONS EARNED FROM SALES BY A MANUFACTURER'S SALES REPRESENTATIVE OF IMPORTED TANGIBLE PERSONAL PROPERTY THAT IS PURCHASED BY A CONSUMER DIRECTLY FROM THE MANUFACTURER,"

begs leave to report as follows:

The purpose of this measure is to request the Department of Taxation to examine and report on the payment of general excise taxes that result from commissions earned on sales of imported tangible personal property purchased directly by a consumer from a manufacturer.

Comments on this measure were submitted by the Department of Taxation.

Your Committee finds that placing the general excise tax burden that results from commissions on sales of imported tangible personal property on the appropriate taxpayer is an important aspect to administering fair and accurate tax laws and policies for taxpayers subject to the laws of this State.

Your Committee also encourages the Department of Taxation to discuss implementation policies and reporting procedures for commissions on sales of imported tangible personal property with




industry practitioners and representatives during the Department of Taxation's Tax Workshops in 2008.

Your Committee amended this measure and its title by making technical, nonsubstantive amendments for the purpose of clarity.

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 concurs with the intent and purpose of S.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 89, S.D. 1.

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


CAROL FUKUNAGA, Chair



