

LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



KURT KAWAFUCHI  
DIRECTOR OF TAXATION

SANDRA L. YAHIRO  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510  
FAX NO: (808) 587-1560

**SENATE COMMITTEE ON WAYS & MEANS**

**TESTIMONY REGARDING SCR 163 SD 1/SR 89 SD 1**

**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.**

**\*\*\*WRITTEN TESTIMONY ONLY\*\*\***

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**

**DATE: APRIL 4, 2008**

**TIME: 10:05AM**

**ROOM: 211**

---

The Department understands the legislative interest in analyzing and investigating the payment of general excise tax on commissions earned by sales representatives of imported tangible personal property that is purchased by a consumer directly from the manufacturer.

However, without additional resources specifically provided to assist with this request, the Department is concerned that it may not be able to adequately comply with this request. The Department respectfully requests an appropriation of \$60,000 and the authority to utilize these funds to hire 1.0 full-time equivalent (FTE) economist position.