

STAND. COM. REP. NO.

748

Honolulu, Hawaii

March, 2009

RE: H.B. No. 1404
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1404 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose of this bill is to make permanent the general excise tax exemptions provided in Act 239, Session Laws of Hawaii 2007, for amounts received by:

- (1) Submanagers of an association of apartment owners or of certain nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;
- (2) Operators of a hotel from the owner of the hotel or from a timeshare association for employee wage and benefit costs disbursed by the operator; and
- (3) Suboperators of a hotel from the owner of the hotel, timeshare association, or operator of the hotel, for employee wage and benefit costs disbursed by the suboperator.

The Outrigger Hotels, Marriott Vacation Club International, Inc., and Wyndham Worldwide supported this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

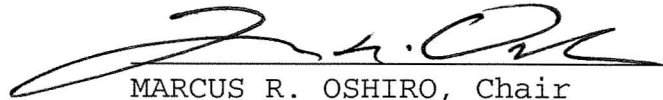
HB1404 HD1 HSCR FIN HMS 2009-2584



Your Committee has amended this bill by changing the effective date to July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1404, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



