

STAND. COM. REP. NO. 419

Honolulu, Hawaii

Feb 19, 2009

RE: H.B. No. 1586

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

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 1586 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to maximize the State's ability to capture tax revenues by establishing a minimum standard, consistent with the latest developments in state and local tax laws, by which the Department of Taxation would determine whether an out-of-state business would be subject to Hawaii taxes.

The Department of Taxation and Hawaii Government Employees Association supported this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii and a concerned individual commented.

Your Committee heard testimony that this bill expands the boundaries of the State's taxing authority consistent with recent Supreme Court decisions of other states, and thereby allows the State to capture more tax revenue from out-of-state businesses if those decisions continue to stand.

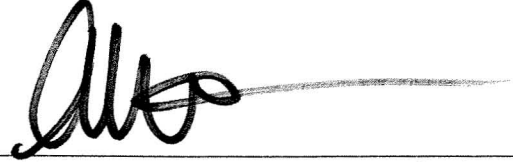
As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1586 and recommends that it pass Second Reading and be referred to the Committee on Finance.

HB1586 HSCR EBM HMS 2009-2163



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Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Revitalization, Business, &  
Military Affairs,



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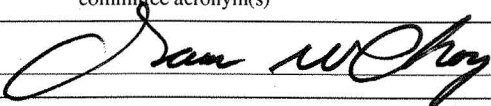
ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 419

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: <b>HB 1586</b>	Committee Referral: <b>EBM</b>	Date: <b>Feb. 12, 2009</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.	✓			
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			
<del>6. TAKAI, K. Mark</del>				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	.			✓
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
<b>TOTAL (11)</b>	<b>9</b>			<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				