

Honolulu, Hawaii

April 12, 2010RE: H.B. No. 1985
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1985, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to address the current budget shortfall facing the State by, among other things:

- (1) Repealing the tax deduction for amounts given as political campaign contributions for taxable years beginning after December 31, 2010;
- (2) Increasing the tax on individual cigarettes and little cigars by one cent for sales on or after July 1, 2010, and increasing the same tax by an additional one cent for sales on or after July 1, 2011;



- (3) Temporarily doubling certain fees under sections 431:7-101(a) and (b), Hawaii Revised Statutes, and specifying that the increased fees be deposited equally into the Compliance Resolution Fund and the General Fund; and
- (4) Making permanent the fees for life settlement contract providers and life settlement contract brokers, including license issuance fees.

Your Committee has amended this bill by:

- (1) Extending the sunset for the increase to fees under sections 431:7-101(a) and (b), Hawaii Revised Statutes, from July 1, 2013, to July 1, 2014;
- (2) Changing the effective date of this bill from July 1, 2050, to July 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1985, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1985, S.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



DONNA MERCADO KIM, Chair



MARCUS R. OSHIRO, Chair



