

STAND. COM. REP. NO.

3031

Honolulu, Hawaii

APR - 1 2010

RE: H.B. No. 2783  
H.D. 2  
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2783, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide a permanent general excise tax exemption for: condominium common expenses paid by managers, submanagers, and suboperators; and hotel employee expenses paid by hotel operators and timeshare projects.

The measure also clarifies that the cap on the general excise tax exemption for amounts received in certain hotel and timeshare transactions under Act 239, Session Laws of Hawaii 2007, refers to the aggregate amount of tax exempted and not to gross receipts.

The written comments may be reviewed on the Legislature's website.

Your Committee finds that making these general excise tax exemptions permanent removes disincentives for owners to pay higher wages, provide higher levels of employee benefits, and employ the services of local operators and vendors.

Your Committee has amended this measure by changing the effective date to January 1, 2020, to facilitate further discussion on the measure.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2783, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2783, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



DONNA MERCADO KIM, Chair



