

Honolulu, Hawaii

March 8, 2011

RE: H.B. No. 1180
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1180 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to apply the conveyance tax to transfers of entity ownership when the transfer of entity ownership is essentially equivalent to the sale of an interest in real property.

The Chamber of Commerce of Hawaii testified in opposition to this bill. The Department of Taxation, Tax Foundation of Hawaii, Hawaii Association of REALTORS, and Alexander & Baldwin, Inc. provided comments.

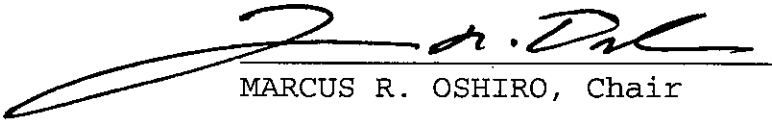
Your Committee has amended this bill by:

- (1) Clarifying that the imposition of the conveyance tax on transfers of entity ownership shall not apply to any transfer of interest or acquisition between entities wholly owned by the same common ownership that results in no change in the beneficial ownership; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



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. 1180, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1180, H.D. 1.

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


MARCUS R. OSHIRO, Chair



