

LATE

**COMMENT IN STRONG SUPPORT
SB778**

Senate Committee on Ways and Means
Decision Making: March 1, 2011, 9:20 AM Conf Room 211

To: Senator David Ige
Chair, Committee on Ways and Means
Hawaii State Senate
State Capitol, Room 211
Honolulu, HI 96813

From: Thomas Huber
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RE: SB 778, Relating to General Excise Tax

Dear Senator Ige and Members of the Committee:

As a present and past officer and member of the boards of directors of several Hawaii nonprofit organizations, I humbly urge you to pass SB 778, which repeals Act 155, SLH 2010.

Testimony filed in support of this Bill has amply demonstrated the unfair and disproportionate scope and coverage of Act 155 in many respects. I am particularly opposed to Section 237 (b), which imposes personal liability on individuals who do not fulfill the organization's GET responsibilities. This could easily be applied to directors and other volunteer officers of nonprofit organizations. The application of the GET to nonprofit income is uncertain at best. Most nonprofits are not required to pay GET taxes on a large portion of their income. How is a volunteer supposed to police these obligations?

This Bill is only going to discourage volunteers from serving as officers and directors of nonprofit organizations. The penalty of personal liability for the obligations of the organization is far disproportionate to the risk of lost tax collections.

The Committee on Economic Development and Technology has received testimony and held a hearing on Bill 778 and has passed it. I urgently request that this Committee pass the Bill also.

Thank you for opportunity to submit comments.