

STAND. COM. REP. NO.

1459

Honolulu, Hawaii

April 5, 2013

RE: S.B. No. 1185  
S.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1185, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the definition of "nonprofit organization" in chapter 237, Hawaii Revised Statutes, by replacing references to the Internal Revenue Code with references to section 237-23, Hawaii Revised Statutes, relating to exemptions from the general excise tax.

Your Committee received testimony in support of this measure from the Department of Taxation and the Aloha Society of Association Executives. The Tax Foundation of Hawaii submitted comments on this measure.

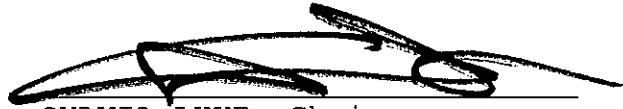
Your Committee finds that sections 237-9.3 and 237-41.5, Hawaii Revised Statutes, define "nonprofit organization" with references to the Internal Revenue Code section 501(c) that are inconsistent with the provisions of section 237-23, Hawaii Revised Statutes. Your Committee believes that replacing references to the Internal Revenue Code with references to appropriate provisions of the Hawaii Revised Statutes will make the application and administration of chapter 237, Hawaii Revised Statutes, as it relates to nonprofit organizations, more consistent.

SB1185 SD1 HSCR LRB 13-2133.doc



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 S.B. No. 1185, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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




SYLVIA LUKE, Chair



HSCR 1459

State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

Record of Votes of the Committee on Finance

|   |                                   |                          |             |
|---|-----------------------------------|--------------------------|-------------|
| <b>Bill/Resolution No.:</b><br>SB1185 SD1   | <b>Committee Referral:</b><br>FIN | <b>Date:</b><br>03/14/13 |             |
| <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<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |                                   |                          |             |
| <b>FIN Members</b>  | <b>Ayes</b>                       | <b>Ayes (WR)</b>         | <b>Nays</b> |
| 1. LUKE, Sylvia (C)   | /                                 |                          |             |
| 2. NISHIMOTO, Scott Y. (VC)   | /                                 |                          |             |
| 3. JOHANSON, Aaron Ling (VC)  | /                                 |                          |             |
| 4. CULLEN, Ty J.K.  | /                                 |                          |             |
| 5. HASHEM, Mark J.  | /                                 |                          |             |
| 6. ING, Kaniela   | /                                 |                          |             |
| 7. JORDAN, Jo   | /                                 |                          |             |
| 8. KOBAYASHI, Bertrand  | /                                 |                          |             |
| 9. LOWEN, Nicole E.   | /                                 |                          |             |
| 10. MORIKAWA, Dee   | /                                 |                          |             |
| 11. ONISHI, Richard H.K.  | /                                 |                          |             |
| 12. TAKAYAMA, Gregg   | /                                 |                          |             |
| 13. TOKIOKA, James Kunane   | /                                 |                          |             |
| 14. WOODSON, Justin H.  | /                                 |                          |             |
| 15. YAMASHITA, Kyle T.  | /                                 |                          |             |
| 16. FUKUMOTO, Beth  | /                                 |                          |             |
| 17. WARD, Gene  | /                                 |                          |             |
| <b>TOTAL (17)</b>   | 17                                |                          |             |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br>committee acronym(s)   |                                   |                          |             |
| Vice Chair's or designee's signature:    |                                   |                          |             |
| <b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO   |                                   |                          |             |