

STAND. COM. REP. NO. 468

Honolulu, Hawaii

**FEB 28 2013**

RE: S.B. No. 948  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 948 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to implement Hawaii's participation in the national Streamlined Sales and Use Tax Agreement by:

- (1) Amending Hawaii's tax laws to allow the State to participate in the national Streamlined Sales and Use Tax Agreement; and
- (2) Creating a committee to oversee the Department of Taxation's implementation and administration of, and compliance with, the Streamlined Sales and Use Tax Agreement.

Your Committee received testimony in support of this measure from the Retail Merchants of Hawaii, Walgreens Co., Hawaii Association of Realtors, Hawaii Appleseed Center for Law and Economic Justice, and Chamber of Commerce of Hawaii.

Your Committee received testimony in opposition to this measure from the Department of Taxation, and one individual.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

SB948 SD1 SSCR LRB 13-1265.doc



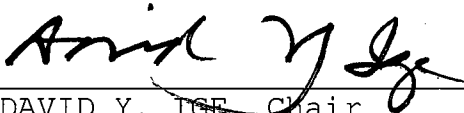
Your Committee finds that this measure allows the State to collect taxes on the sale of goods and services conducted via the Internet without placing additional burdens on interstate commerce, thereby "leveling the playing field" between local and out-of-state retailers. Your Committee also finds that the State's participation in the Streamlined Sales and Use Tax Agreement has the potential to achieve more efficient sales, excise, and use tax administration between participating states, as well as improved tax compliance by interstate vendors.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050, to promote further discussion of the measure; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 948, S.D. 1, and be placed on the calendar for Third Reading.

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

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 948</b>	Committee Referral: <b>WAM</b>	Date: <b>2-12-13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam			✓	
			<i>Sam</i>	
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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\*Only one measure per Record of Votes