

NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

LATE

To: The Honorable Clift Tsuji, Chair
and Members of the House Committee on Economic Development and Business

Date: Tuesday, February 12, 2013
Time: 9:00 A.M.
Place: Conference Room 312, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. 1128 H.D. 1, Relating to Intra-State Aviation

The Department of Taxation ("Department") appreciates the intent of H.B. 1128 H.D. 1 and provides the following information and comments for your consideration.

H.B. 1128 H.D. 1 provides an exemption from Hawaii's general excise tax for amounts received from the sale of fuel from a foreign trade zone to common carriers for use in interisland air transportation.

The Department defers to the Department of Business, Economic Development, and Tourism on the merits of the bill. The Department defers to the Department of Transportation on the effect of this tax exemption on inter-island air transportation.

Thank you for the opportunity to provide comments.