

Honolulu, Hawaii

February 28, 2014

RE: H.B. No. 1651

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1651 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to require the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller.

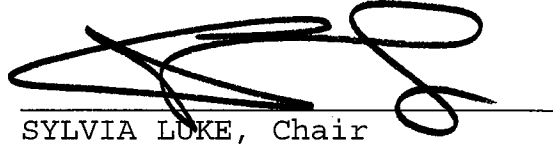
The Chamber of Commerce Hawaii and Walgreens Co. testified in support of this measure. An individual testified in opposition of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2030, to encourage further discussion.

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. 1651, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1651, H.D. 1.



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



SYLVIA LUKE, Chair



