

STAND. COM. REP. NO.

465

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 1185
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. 1185 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to recast the definition of nonprofit organization to reflect the inapplicability of certain provisions of the general excise tax law, rather than basing the qualification of the organization on provisions of the federal income tax law.

The Department of Taxation submitted testimony in support of this measure. Tax Foundation of Hawaii submitted comments on this measure.

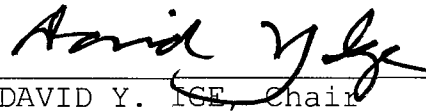
Your Committee finds that sections 237-9.3 and 237-41.5, Hawaii Revised Statutes, currently define "nonprofit organization" by making specific reference to sections of the Internal Revenue Code. However, these references are not consistent with section 237-23, Hawaii Revised Statutes, which sets forth the entities that are exempt from general excise tax. Your Committee finds that amending the definition of nonprofit organization for consistency with section 237-23, Hawaii Revised Statutes, will provide necessary clarity in application of general excise tax exemptions.



Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of 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. 1185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1185, 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. ISE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1185	WAM	2-12-13		
<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	✓			
TOTAL	11	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes