

Honolulu, Hawaii

**APR 24 2013**

RE: S.B. No. 1196  
S.D. 1  
H.D. 1  
C.D. 1

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

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1196, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CASH ECONOMY ENFORCEMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to enhance enforcement of state tax law by making receipt and record keeping requirements applicable to all taxpayers who conduct business transactions under the general excise tax law, instead of only those who conduct more than ten taxable business transactions per day. The measure provides an exception for casual sales.

Your Committee on Conference finds that under existing law, taxpayers can claim they have not conducted more than ten daily transactions, regardless of the number of actual transactions, and thus are exempt from the record keeping requirements for all cash-based business transactions conducted each day. Removing the



exemption will ensure that cash-based businesses more accurately document all transactions, other than casual sales. Your Committee on Conference believes that this measure will assist the Department of Taxation in effectively enforcing the State's tax laws.

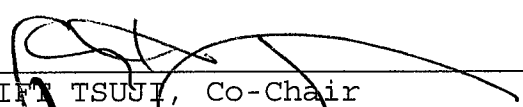
Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 1, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1196, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1196, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

  
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CLIFF TSUJI, Co-Chair

  
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DAVID Y. IGE, Chair

  
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JAMES KUNANE TOKIOKA, Co-Chair



