

Honolulu, Hawaii

FEB 08 2013

RE: S.B. No. 1360

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

Madam:

Your Committees on Tourism and Hawaiian Affairs and Commerce and Consumer Protection, to which was referred S.B. No. 1360 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to extend permanently the general excise tax exemption for:

- (1) Funds received by submanagers of associations of apartment owners of condominiums or nonprofit homeowners or community associations for reimbursement of common expenses;
- (2) Funds received by a hotel operator from a timeshare association to pay employee expenses; and
- (3) Funds received by a hotel suboperator from the owner or operator of a hotel or timeshare association, to pay employee expenses.

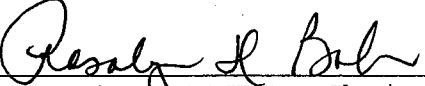
Your Committees received testimony in support of this measure from Wyndham Vacation Ownership, Outrigger Enterprise Group, Hawaii Association of REALTORS, Hawaii Chapter Community Associations Institute, Hawaii Lodging and Tourism Association, and one individual. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.



Your Committees find that allowing the lapse of general excise tax exemptions enacted by Act 239, Session Laws of Hawaii 2007, as amended, will unfairly burden consumers and employees by increasing common expenses and decreasing employee wages and benefits. Your Committees further find that this measure will make permanent a tax exemption to transactions that are similar to certain transactions that are already exempt. Condominium submanagers, timeshare associations, and hotel suboperators are in similar situations to hotel and condominium operators when they receive funds and should be taxed similarly. This measure will ensure the consistent and uniform application of the tax law for taxpayers in similar situations.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1360 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Tourism and
Hawaiian Affairs and Commerce
and Consumer Protection,



ROSALYN H. BAKER, Chair



BRICKWOOD GALUTERIA, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

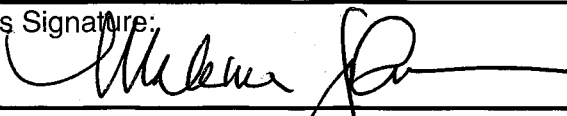
Record of Votes
Committee on Tourism and Hawaiian Affairs
THA

Bill / Resolution No.:* SB 1360	Committee Referral: THA/CPN, WAN	Date: 2/4/13		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GALUTERIA, Brickwood (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
HEE, Clayton				✓
KAHELE, Gilbert	✓			
KIDANI, Michelle N.				✓
SHIMABUKURO, Maile S.L.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	5	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:	Committee Referral:	Date:		
SB 1300	THA/CPN, NAM	2-4-13		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn				✓
SLOM, Sam				✓
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:	Original	Yellow	Pink	Goldenrod
	File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy

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