

STAND. COM. REP. NO.

1149

Honolulu, Hawaii

March 22, 2013

RE: S.B. No. 571
S.D. 2
H.D. 1

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

Sir:

Your Committee on Transportation, to which was referred S.B. No. 571, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO COUNTY SURCHARGE ON STATE TAX,"

begs leave to report as follows:

The purpose of this measure is to facilitate a more proper use of taxpayer money by amending the amount of gross proceeds the State retains to cover the costs associated with administering the county surcharge on state tax. More specifically, this measure:

- (1) Changes the State's automatic deduction of ten percent of the gross proceeds of a county's surcharge on state tax to an unspecified percentage; and
- (2) Allows the State, by administrative rule, to change the deduction to an amount not exceeding ten percent if the costs of assessment, collection, and disposition increase.

The City and County of Honolulu, Honolulu Authority for Rapid Transportation, the Councilmember of Council District 9 of the City and County of Honolulu, and two concerned individuals supported this measure. The Department of Taxation provided comments.

SB571 HD1 HSCR TRN HMS 2013-2841

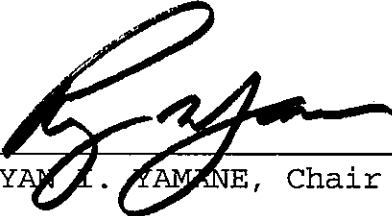


Your Committee has amended this measure by:

- (1) Changing the State's deduction of an unspecified percentage of the gross proceeds of a county's surcharge on state tax to an unspecified amount; and
- (2) Removing the language that allowed the State, by administrative rule, to change the deduction amount on the gross proceeds of a county's surcharge on state tax.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 571, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 571, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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



RYAN L. YAMANE, Chair



