

STAND. COM. REP. NO. 2291

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 2695
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs, to which was referred S.B. No. 2695 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to repeal the law relating to the disposition of proceeds from the county surcharge on state tax.

Your Committees received comments on this measure from the Department of the Attorney General and Tax Foundation of Hawaii.

Your Committees find that the ten percent deduction for administrative expenses from the proceeds of the county surcharge on state tax is speculated to be far in excess of the actual costs to the State in collecting the tax on behalf of the counties. Your Committees further find that measures to ascertain the actual cost incurred by the Department of Taxation to assess, collect, and dispose of the surcharge revenues should be undertaken so that a revenue neutral impact to the Department can be implemented.

Your Committees have amended this measure by:

- (1) Deleting its purpose section;
- (2) Reinstating provisions relating to the disposition of the proceeds on the county surcharge but clarifying that



the State's administrative share shall be the costs of assessment, collection, and disposition rather than ten percent of the proceeds; and

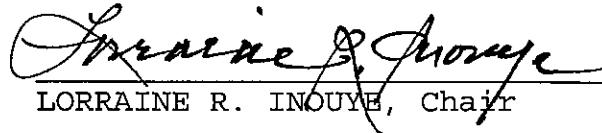
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2695, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2695, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Public Safety,
Intergovernmental, and Military
Affairs,



CLARENCE K. NISHIHARA, Chair



LORRAINE R. INOUE, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

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|--|--|-------------------------|-----|----------|
| Bill / Resolution No.:* <i>SB 2695</i> | Committee Referral: <i>TRE/PSM, WAM</i> | Date: <i>2-11-16</i> | | |
| <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 |
| INOUYE, Lorraine R. (C) | / | | | |
| GABBARD, Mike (VC) | | | | / |
| CHUN OAKLAND, Suzanne | / | | | |
| ENGLISH, J. Kalani | | | | / |
| KIDANI, Michelle N. | / | | | |
| NISHIHARA, Clarence K. | / | | | |
| SLOM, Sam | | | | / |
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| TOTAL | <i>4</i> | | | <i>3</i> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>Michelle N. Kidani</i> | | | | |
| 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-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Intergovernmental and Military Affairs
PSM

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|--|-------------------------------------|-------------------------|-----|----------|
| Bill / Resolution No.:* SB2695 | Committee Referral: TRE/PSM, WAM | Date: <i>2/11/16</i> | | |
| <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 |
| NISHIHARA, Clarence K. (C) | / | | | |
| ESPERO, Will (VC) | / | | | |
| BAKER, Rosalyn H. | | | | / |
| INOUYE, Lorraine R. | / | | | |
| SLOM, Sam | | | | / |
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| TOTAL | 3 | | | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>Will Espero</i> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

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