

STAND. COM. REP. NO. 1596-16

Honolulu, Hawaii

April 8, 2016

RE: S.B. No. 2928  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2928, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to strengthen enforcement of, and ensure compliance with, Hawaii's general excise tax law. More specifically, this measure:

- (1) Requires the Department of Taxation (Department) to develop an online form, to be filled out by each special event operator, that contains specific information regarding sellers engaging in business at the operator's special events;
- (2) Requires each special event operator to submit the completed form to the Department whenever the operator files the operator's periodic general excise tax returns with the Department, provided that a special event occurred during the reporting period;
- (3) Authorizes the Department to issue citations that include fines to special event operators who fail to comply with the reporting requirements;

SB2928 HD1 HSCR FIN HMS 2016-3093

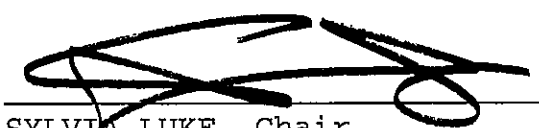


- (4) Allows the Department to waive for reasonable cause the issuance of any citation for failure by special event operators to comply with the reporting requirements regarding sellers at a special event; and
- (5) Provides an exemption for persons already exempt from general excise tax laws from being considered as an operator of a special event.

The Hawaii Food Industry Association, Hawaii Alliance of Nonprofit Organizations, and two concerned individuals testified in opposition to this measure. The Department of Taxation, Stadium Authority, and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2928, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

  
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SYLVIA LUKE, Chair



