

Honolulu, Hawaii

FEB 11 2016

RE: S.B. No. 2928

S.D. 1

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

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2928 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require operators of special events to file reports with the Department of Taxation that provide information about the vendors participating in special events; and
- (2) Permit the Department of Taxation to issue citations to special event operators for failure to file a report.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received testimony in opposition of this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii and Chamber of Commerce Hawaii.

Your Committee finds that special events present a unique challenge to tax law enforcement, as these events involve primarily cash-based businesses that may or may not be properly licensed. This measure is intended to assist the Department of Taxation in finding businesses not currently in compliance with their general excise tax obligations and bringing those businesses into compliance.



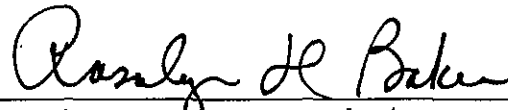
Your Committee does have some concerns over the creation of an additional paper form and whether the Department of Taxation will be able to appropriately proceed with enforcement once the Department begins to collect all the information proposed by this measure. Your Committee believes an online form that would notify the Department of Taxation and permit the reporting of required information may be a more efficient starting point for the Department.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Department of Taxation to develop an online form to be published on the Department's website and filled out by special event operators that shall include relevant information about vendors at all special events for which a person is a special event operator; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2928, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2928, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,




ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2928	CPH, WAM	2-5-16		
<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
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.				/
SLOM, Sam		/		
<b>TOTAL</b>	4	1		2
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