

STAND. COM. REP. NO.

2592

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2928

S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2928, S.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 and intent of this measure is to strengthen enforcement of general excise tax collection laws.

More specifically, this measure:

- (1) Requires the Department of Taxation to develop an online form, to be filled out by each special event operator, 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 of Taxation whenever the operator files the operator's periodic general excise tax returns with the department; and
- (3) Authorizes the Department of Taxation to issue citations that include fines to special event operators that fail to comply with the reporting requirements.

Your Committee received written comments in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

SB2928 SD2 SSCR LRB 16-1468-1.doc



Your Committee finds that special events represent a special challenge to tax law enforcement, since such events often involve primarily cash-based businesses that may or may not be properly licensed. Your Committee recognizes that the Department of Taxation cannot have representatives present at all special events taking place within the State. Your Committee believes that the periodic information required by this measure will help the Department of Taxation identify businesses not currently in compliance with their general excise tax obligations and bring those businesses into compliance.

Your Committee has amended this measure by changing its effective date to January 1, 2017, to give special event operators notice of the measure's requirements before the requirements take effect.

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

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



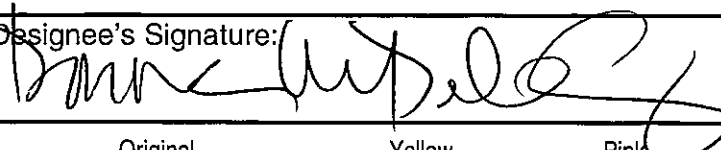
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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2928, SD1</b>	Committee Referral: <b>CPH, WAM</b>	Date: <b>2/28/16</b>		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne				/
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	<b>9</b>			<b>8</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes