

STAND. COM. REP. NO.

2284

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 3075
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 Transportation and Energy, to which was referred S.B. No. 3075 entitled:

"A BILL FOR AN ACT RELATING TO TRAILERS,"

begs leave to report as follows:

The purpose and intent of this measure is to require an owner of a trailer bought out-of-state and subsequently brought into the State to provide proof of payment of the use tax with the application for registration unless otherwise exempt.

Your Committee received testimony in support of this measure from Hawaii Specialty Vehicles LLC. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that there is an inconsistency in the collection of taxes for trailers being registered in the State. Businesses and individuals who buy trailers out-of-state and then import the trailers to Hawaii are often not assessed the use tax. This measure will ensure that the use tax shall be applied to all trailers, regardless of the origin of sale.

Your Committee has amended this measure on the recommendation of the Department of Taxation by:

- (1) Eliminating redundant language in the measure; and



- (2) Changing the effective date to January 1, 2017, to give the Department additional time to implement the new requirements.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3075, S.D. 1, and be referred to your Committee on Ways and Means.

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


LORRAINE R. INOUE, Chair



