

Honolulu, Hawaii
April 25, 2016

RE: S.C.R. No. 138
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.C.R. No. 138 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE TAX REVIEW COMMISSION TO EVALUATE THE IMPACTS OF GENERAL EXCISE AND USE TAX INCREASES PROPOSED DURING THE REGULAR SESSION OF 2016,"

begs leave to report as follows:

The purpose of this measure is to request that the Tax Review Commission evaluate the impacts of general excise and use tax increases proposed during the regular session of 2016.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee has amended this measure by:

- (1) Amending its title to read "REQUESTING THE TAX REVIEW COMMISSION TO EVALUATE THE IMPACTS OF GENERAL EXCISE AND USE TAX INCREASES PROPOSED DURING THE REGULAR SESSION OF 2016 AND GENERAL EXCISE TAX PYRAMIDING AS APPLIED TO TRANSIENT ACCOMMODATIONS";
- (2) Inserting provisions detailing tax pyramiding within the State's general excise and transient accommodations tax framework; including how it relates to the sublease deduction enacted by Act 353, Session Laws of Hawaii 1997;

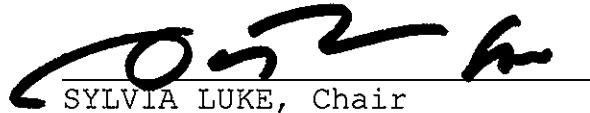


(3) Requesting the Tax Review Commission to analyze whether the sublease deduction pursuant to section 237-16.5, Hawaii Revised Statutes, should also be applied to transient accommodations; and

(4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 138, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 138, H.D. 1.

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


SYLVIA LUKE, Chair



