

Honolulu, Hawaii

APR 06 2018RE: H.B. No. 2007
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2007, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to create equity among the types of aircraft in the State that are eligible for the aircraft service and maintenance facility general excise tax exemption by removing language that limits the definition of "aircraft" to craft with two or more jet engines.

Your Committee received written comments in support of this measure from Blue Hawaii Helicopters, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, SpeediShuttle Hawaii, Air Service Hawaii, and Maui Hotel & Lodging Association.

Your Committee received written comments in opposition to this measure from the Mayor of the County of Hawaii, Hawaii Island Coalition Malama Pono, and two individuals.

Your Committee received written comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Hawaii Helicopters, and Straube's Aircraft Service, Inc.



Your Committee notes that the Department of Taxation has indicated that it would be able to administer section 237-24.9, Hawaii Revised Statutes, as revised by this measure, for taxable years beginning after December 31, 2018.

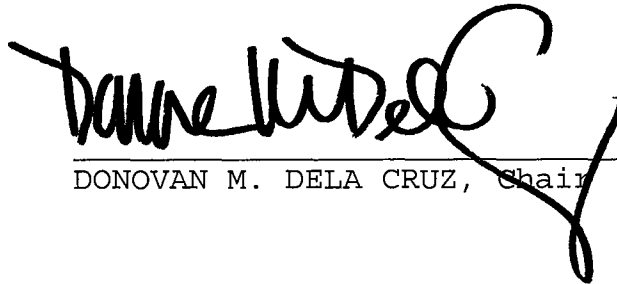
Your Committee further notes the concerns raised by the Mayor of the County of Hawaii, who opposed providing tax exemptions for helicopter tour companies. Specifically, the Mayor observed that helicopter tour companies have not indicated that this measure would contribute to industry growth by attracting new facilities to the State, nor did the companies suggest that they would use savings from the tax exemption to better accommodate residents living in tranquil rural areas affected by noise from helicopters flying over these areas.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive amendment to conform with recommended drafting conventions.

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 H.B. No. 2007, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2007, H.D. 1, S.D. 2.

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

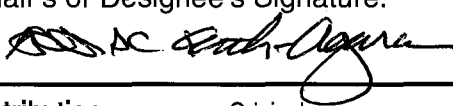


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB2007 HDI SDI	Committee Referral: TRE, WAM	Date: 4/3/18		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.				X
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
TOTAL	9			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