

STAND. COM. REP. NO.

13/4

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 620
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 620, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to ensure fairness and equity in the application of Hawaii's general excise tax by addressing remote sales.

Specifically, this measure amends the definition of the term "business" to include a person who has no physical presence in the State, but who has gross receipts attributable to the State of \$100,000 or more.

The Chamber of Commerce Hawaii, Retail Merchants of Hawaii, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and a concerned individual testified in support of this measure. The Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by changing its effective date to July 1, 2059, to facilitate further discussion.

SB620 HD1 HSCR CPC HMS 2017-3263



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 620, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 620, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



ROY M. TAKUMI, Chair



