

STAND. COM. REP. NO. 1611

Honolulu, Hawaii

, 2019

MAR 22

RE: S.B. No. 1158

S.D. 2

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Economic Development & Business and Lower & Higher Education, to which was referred S.B. No. 1158, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL SUPPLIES,"

beg leave to report as follows:

The purpose of this measure is to establish a general excise tax holiday for consumers and businesses for school supplies sold during the weekend beginning with the last Friday in July; provided that businesses pass the savings on to consumers.

The Hawaii State Teachers Association and Retail Merchants of Hawaii testified in support of this measure. The Department of Taxation, Department of Education, and Tax Foundation of Hawaii provided comments on this measure.

Your Committees find that the definition of school supplies in this measure could present legal concerns and should be amended to assuage these concerns and to ensure that there are no loopholes. Furthermore, your Committees find that although such tax holidays have often caused businesses to hold off on purchasing office supplies until the holiday because many school supplies are also useful for offices and businesses, the overall



impact of shopping on the holiday in regards to revenue to the State, as well as economic activity, outweigh these concerns.

Your Committees have amended this measure by:

- (1) Emphasizing that the definition of school supplies includes textbooks and is limited to the all-inclusive list contained in this measure; and
- (2) Changing its effective date to July 1, 2112.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business and Lower & Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1158, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1158, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development & Business and  
Lower & Higher Education,

  
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JUSTIN H. WOODSON, Chair

  
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ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives **HSR 1611**  
The THIRTIETH Legislature

**Record of Votes of the Committee on Lower & Higher Education**

Bill/Resolution No.: <b>SB 1158 SD 2</b>	Committee Referral: <b>EDB/LHE, FIN</b>	Date: <b>3/13/19</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LHE Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. PERRUSO, Amy A. (VC)	✓			
4. DeCOITE, Lynn	✓			
5. JOHANSON, Aaron Ling	✓			
6. KOBAYASHI, Dale T.	✓			
7. OHNO, Takashi	✓			
8. QUINLAN, Sean	✓			
9. TARNAS, David A.	✓			
10. TOKIOKA, James Kunane	✓			
11. OKIMOTO, Val	✓			
<b>TOTAL (11)</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> <u><i>Amy Perruso</i></u>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				

