

STAND. COM. REP. NO.

859

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 712
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 712, 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 exclude foreign partnerships, foreign limited liability partnerships, foreign limited partnerships, and foreign limited liability companies from the definition of "resident person" under the Hawaii Real Property Tax Act.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

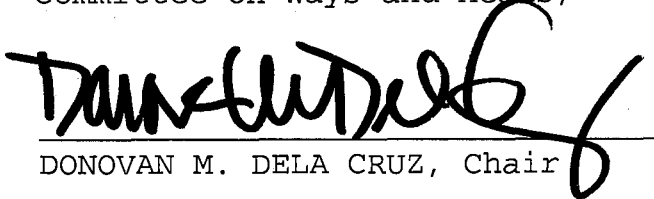
Your Committee finds that the Hawaii Real Property Tax Act, also known as HARPTA, requires every buyer of real property to withhold and pay to the Department of Taxation seven and one-quarter per cent of the amount realized on the disposition of Hawaii real property. However, section 235-68, Hawaii Revised Statutes, provides an exemption from this requirement when the seller of the real property is a "resident person". Removing foreign partnerships, foreign limited liability companies, and foreign limited liability partnerships from the definition of "resident person" would make them ineligible for the exemption from the withholding of tax on the disposition of Hawaii real property.



Your Committee has amended this measure by changing the effective date to January 1, 2020.

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 S.B. No. 712, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 712, S.D. 2.

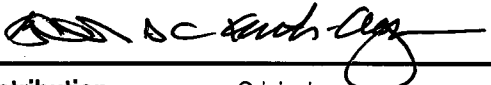
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB712 SD1</i>	Committee Referral: <i>CPH, WAM</i>	Date: <i>2/19/19</i>		
<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
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	8			5
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