

STAND. COM. REP. NO. 1742

Honolulu, Hawaii

APR 03 2019

RE: S.R. No. 87

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.R. No. 87 entitled:

"SENATE RESOLUTION REQUESTING THE DIRECTOR OF TAXATION TO CONVENE A TASK FORCE TO CONSIDER WORLDWIDE COMBINED REPORTING OF CORPORATE INCOME,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Director of Taxation to convene a task force to determine if worldwide combined reporting, also known as "complete reporting," would be a more fair and effective form of calculating corporate taxation.

Your Committee received testimony in opposition to this measure from the Council On State Taxation.

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

Your Committee finds that some large corporations that maintain a physical presence in Hawaii sell goods and services in the State, but reduce their tax exposure on those sales by shifting income to offshore subsidiaries and, thereby, put smaller companies who are entirely domestic at an unfair disadvantage.

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 concurs with the intent and purpose of S.R. No. 87 and recommends its adoption.


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.:*	Committee Referral:	Date:		
SR87	WAM	3-29-19		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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	9	1		3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes