

STAND. COM. REP. NO.

436

Honolulu, Hawaii

FEB 18

, 2021

RE: H.B. No. 1184

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 1184 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to exempt the sale of precious
metal bullion from the general excise tax.

Your Committee received testimony in support of this measure
from the Industry Council for Tangible Assets, Inc.; Foundation
for the Advancement of Monetary Education, Ltd.; Sound Money
Defense League; Liberty Coin Service; and two individuals. Your
Committee received comments on this measure from the Department of
Taxation and Tax Foundation of Hawaii.

Your Committee finds that previous metal bullion, such as
gold and silver, have a major distinction from other tangible
assets that are subject to sales and use tax in that they are not
consumed, but acquired as collectibles or investments to be sold.
This measure removes the disincentives for residents who choose to
hold onto gold and silver for these purposes.

Your Committee notes the request in testimony from the
Department of Taxation to postpone the effective date of this
measure to January 1, 2022, to provide the Department with time to

2021-1690 HB1184 HD1 HSCR HMSO



make the necessary forms, instructions, and computer system changes.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "precious metal bullion" to apply to coins, bars, or rounds minted primarily of refined gold or silver; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1184, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



SEAN QUINLAN, Chair



