

STAND. COM. REP. NO. 189

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 1201
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1201 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX LICENSES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require that any license issued under section 237-9, Hawaii Revised Statutes, be renewed biennially;
- (2) Permit the Department of Taxation to charge a fee for biennial renewals; and
- (3) Permit the Department of Taxation to require biennial renewals be applied for electronically.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that many general excise tax license holders who close their businesses fail to cancel their licenses, which leads to the Department of Taxation's records being filled with defunct licenses. According to the Department of Taxation's testimony, the Department has found that many taxpayers fail to update their business registration and contact information when



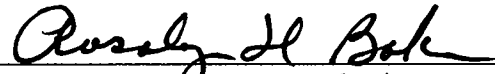
there are changes, leading to a waste of State resources when Department mailings get returned and Department personnel have to manually search for the taxpayer's new address. This measure requires general excise tax license holders to renew their licenses biennially, and allows for electronic filing, which will help facilitate efficient tax administration.

Your Committee has amended this measure by:

- (1) Clarifying that existing general excise tax licenses issued and in effect on or before the effective date of this measure shall be subject to renewal beginning in 2022, provided that the Department of Taxation shall not immediately charge a fee for the renewal; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 1, and be referred to your Committee on Ways and Means.

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

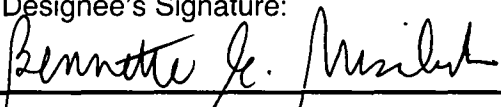


ROSALYN H. BAKER, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1201	CPN, WAM	02.10.2021		
<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
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
MISALUCHA, Bennette E.	✓			
NISHIHARA, Clarence K.	✓			
RIVIERE, Gil			✓	
SAN BUENAVENTURA, Joy A.		✓		
FEVELLA, Kurt		✓		
TOTAL	4	2	1	
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