

STAND. COM. REP. NO.

2118

Honolulu, Hawaii

FEB 08 2022

RE: S.B. No. 3101

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
S.B. No. 3101 entitled:

"A BILL FOR AN ACT RELATING TO TAX EXEMPTION,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt any
homestead development for the Department of Hawaiian Home Lands
from general excise taxes.

Your Committee received testimony in support of this measure
from the Department of Hawaiian Home Lands; Department of
Taxation; Dowling Company, Inc.; and one individual. Your
Committee received testimony in opposition to this measure from
the Center for Hawaiian Sovereignty Studies. Your Committee
received comments on this measure from the Department of Budget
and Finance, and Tax Foundation of Hawaii.

Your Committee finds that lands used by the Department of
Hawaiian Home Lands to provide homesteads for native Hawaiians
need to be offered at affordable rates when compared to similar
developments in Hawaii. Therefore, this measure exempts any
homestead development for the Department of Hawaiian Home Lands
from general excise taxes.

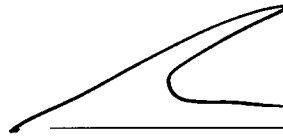
Your Committee has amended this measure by:



- (1) Clarifying that the exempt homestead developments for native Hawaiians must be on Hawaiian home lands;
- (2) Adding a commensurate use tax exemption in section 238-3, Hawaii Revised Statutes;
- (3) Requiring the Department of Hawaiian Home Lands and the Department of Taxation to adopt administrative rules to implement the tax exemption; and
- (4) 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3101, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,



MAILE S.L. SHIMABUKURO, Chair



