

Honolulu, Hawaii

APR 29 2022

RE: S.B. No. 3201
S.D. 1
H.D. 1
C.D. 1

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

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 3201, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NONPROFIT ORGANIZATIONS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to clarify the application of the general excise tax law with regard to gross income derived from unrelated trade or business activities of nonprofit organizations.

Your Committee on Conference finds that, while the federal law is clear with an extensive body of statutory interpretation, nonconforming language used in the state general excise tax provision produces incongruities in how nonprofit activities are taxed. This measure will simplify and improve a nonprofit organization's accounting of income and exempt fundraising income from the general excise tax.



Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of January 1, 2023; and
- (2) Inserting a sunset date of December 31, 2027.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3201, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3201, S.D. 1, H.D. 1, C.D. 1.

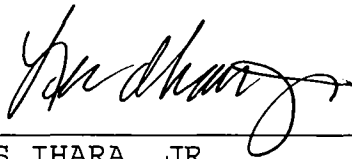
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE



SEAN QUINLAN
Co-Chair



LES IHARA, JR.
Chair



LISA KITAGAWA
Co-Chair



DRU KANUHA
Co-Chair



DANIEL HOLT
Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 3201, SD 1, HD 1	Date/Time: 4-29-22 2:49pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
IHARA, Les, Jr., Chr.	✓				QUINLAN, Sean, Co-Chr.	✓			
KANUHA, Dru Mamo, Co-Chr.	✓				KITAGAWA, Lisa, Co-Chr.	✓			
FEVELLA, Kurt				✓	HOLT, Daniel, Co-Chr.	✓			
					OKIMOTO, Val	✓			
TOTAL	2			1	TOTAL	4			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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