

STAND. COM. REP. NO.

755

Honolulu, Hawaii

FEB 14, 2025

RE: H.B. No. 1437

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Education, to which was referred H.B. No. 1437 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a general excise tax exemption on the gross proceeds or gross income received from sales of commodities or services that benefit nonprofit schools.

Your Committee received testimony in support of this measure from the Hawaii Association of Independent Schools; Le Jardin Academy; Kauai Christian Academy; Sacred Hearts Academy; Cavalry Chapel Christian School; Hongwanji Mission School; Montessori Community School; Hawaii Baptist Academy; Hanalani Schools; Holy Nativity School; Waimea Country School; 'Iolani School; and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that establishing a general excise tax exemption on the gross proceeds or gross income received from sales of commodities or services that benefit nonprofit schools will ensure that more resources remain within the educational community, ultimately benefiting students, teachers, and programs that enrich learning. Your Committee further finds that



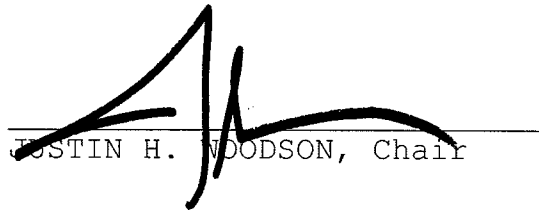
alleviating financial burdens associated with fundraising efforts will support nonprofit schools continue their missions of preparing future generations for success.

Your Committee has amended this measure by:

- (1) Clarifying that the nonprofit school be registered with the Department of Taxation;
- (2) Clarifying that the school-sponsored student activity group be a nonprofit school-sponsored activity group; and
- (3) Changing the effective date to January 1, 3000.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1437, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Education,



JUSTIN H. WOODSON, Chair



HSLR 755

Record of Votes of the Committee on Education

Bill/Resolution No.: HB1437		Committee Referral: EDN, FIN		Date: 2/13/25
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to:				
<input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold				
<input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDN Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	—			
2. LA CHICA, Trish (VC)	—			
3. AMATO, Terez	—			
4. EVSLIN, Luke A.	—			
5. GARRETT, Andrew Takuya	—			
6. KAPELA, Jeanne	—			
7. KILA, Darius K.	—			
8. OLDS, Ikaika	—			
9. SAYAMA, Jackson D.	—			
10. MURAOKA, Christopher L.				X
11. SOUZA, Kanani	—			
TOTAL (11)	10			1
The recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Trish La Chica</u>				
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