

STAND. COM. REP. NO. 1027

Honolulu, Hawaii

FEB 23, 2025

RE: H.B. No. 1437
H.D. 2

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

Madame:

Your Committee on Finance, to which was referred H.B. No. 1437, H.D. 1, 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 Maui Preparatory Academy; 'Iolani School; Hawaii Association of Independent Schools; Island School; Punahou School; Kauai Christian Academy; Waimea Country School; and three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- (1) Specifying that a nonprofit school be registered with and in possession of a tax clearance certificate from the Department of Taxation, rather than in good standing with the Department; and



- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1437, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1437, H.D. 2.

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



KYLE T. YAMASHITA, Chair



Hscn 1027

Bill/Resolution No.: HB1437, HD1		Committee Referral: EDN, FIN		Date: 2/20/25	
<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)					
FIN Members		Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)		/			
2. TAKENOUCHI, Jenna (VC)		/			
3. GRANDINETTI, Tina Nakada		/			
4. HOLT, Daniel		/			
5. HUSSEY, Ikaika		/			
6. KEOHOKAPU-LEE LOY, Sue L.		/			
7. KITAGAWA, Lisa		/			
8. KUSCH, Matthias		/			
9. LAMOSAO, Rachele F.		/			
10. LEE, Mike		/			
11. MIYAKE, Tyson K.		/			
12. MORIKAWA, Dee		/			
13. TEMPLO, Shirley Ann		/			
14. ALCOS III, David					/
15. REYES ODA, Julie		/			
16. WARD, Gene					/
TOTAL (16)		14	0	0	2
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: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					