

STAND. COM. REP. NO.

751

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 755
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 755, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to create a general excise tax exemption for retail sales of specified items transacted during a five-day period each summer.

Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii; and Carol Pregill, President, Retail Merchants of Hawaii. The Department of the Attorney General submitted comments.

Your Committee finds that as the State's economy makes a slow recovery, a general excise tax holiday as provided in this measure will afford consumers temporary relief and spark consumer confidence and spending, as well as provide temporary assistance to local businesses. Some studies show that this type of tax holiday results in job creation and a net increase in tax revenues based upon the increased economic activity. An ancillary effect, especially in the retail industry, is that it increases store traffic and encourages spending not only on items that are exempted from the tax but on non-exempt items, which in turn generates tax revenues.

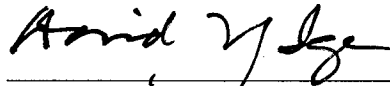
Your Committee has amended this measure by changing the effective date to July 1, 2010, to facilitate further discussion.

SB755 SD2 SSCR LRB 11-2483.doc



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 755, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 755, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

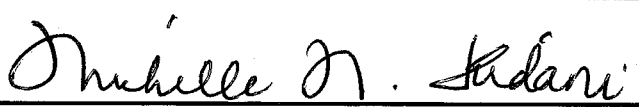


DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 755 SDI	EOT, WAM	3-1-11		
<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
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert				/
KOUCHI, Ronald D.	/			
RYAN, Pohai	/	No Mkt		
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam		/		
TOTAL	12	1	0	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