

STAND. COM. REP. NO.

2118

Honolulu, Hawaii

FEB 13 2012

RE: S.B. No. 2977
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Transportation and International Affairs,
to which was referred S.B. No. 2977 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an
aviation fuel tax credit for interisland airplane carriers that
use turbo propeller airplanes.

Your Committee received testimony in opposition of this
measure from the State Department of Transportation. Comments
were received from the Department of Taxation, State Attorney
General, Tax Foundation, and Hawaiian Airlines.

Your Committee finds that interisland airplane carriers
provide needed competition in the interisland aviation market by
setting lower fares. Any reduction in costs to these carriers
would enable the carriers to keep fares low, which benefits
interisland air travelers.

Your Committee has amended this measure on the recommendation
of the Department of Taxation and the State Attorney General by
amending chapter 243, Hawaii Revised Statutes, relating to fuel
taxes, rather than chapter 235, Hawaii Revised Statutes, relating
to income taxes.

As affirmed by the record of votes of the members of your
Committee on Transportation and International Affairs that is



attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2977, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
International Affairs,



J. KALANI ENGLISH, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2977	TIA, WAM	2/8/12		
<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
ENGLISH, J. Kalani (C)	✓			
ESPERO, Will (VC)	✓			
DELA CRUZ, Donovan M.				✓
GABBARD, Mike	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
SLOM, Sam				✓
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Will Espero</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes