

Honolulu, Hawaii

April 8, 2016

RE: S.B. No. 2547  
S.D. 1  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2547, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to establish and fund a review of the merits and necessity of various tax exemptions, exclusions, and credits. Specifically, this measure:

- (1) Requires the Office of the Auditor to conduct periodic reviews of various tax exemptions, exclusions, and credits applicable to general excise, use, public service company, and insurance premium taxes; and
- (2) Levies a surcharge on taxpayers receiving a tax exemption, exclusion, or credit that is subject to review, for the purpose of establishing a funding mechanism for the Office of the Auditor's reviews.

Two individuals testified in opposition to this measure. The Department of Taxation and Office of the Auditor provided comments on this measure.

Your Committee has amended this measure by:

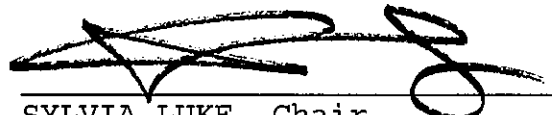
- (1) Requiring the Department of Taxation, rather than the Office of the Auditor, to conduct the tax reviews;



- (2) Deleting funding provisions for the reviews including the removal of the surcharge assessments on taxpayers receiving enumerated tax benefits; and
- (3) Making technical, nonsubstantive amendments for 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 S.B. No. 2547, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2547, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

  
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SYLVIA LUKE, Chair



