

STAND. COM. REP. NO.

3561

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 1655  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1655 entitled:

"A BILL FOR AN ACT RELATING TO TAX ON SALES OF TANGIBLE PERSONAL PROPERTY,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the collection of general excise and use taxes.

More specifically, this measure clarifies that a person who sells or assists in the sale of tangible personal property on behalf of another person and who provides customer service, processes payments, and controls the fulfillment process is the seller of the property for general excise tax and use tax purposes.

Your Committee received testimony in support of this measure from the Department of Taxation and IMUAlliance.

Your Committee received testimony in opposition to this measure from Amazon, Internet Association, Internet Coalition, CompTIA, NetChoice, and TechNet.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.



Your Committee finds that establishing a mechanism for imposing and collecting general excise and use taxes on third-party sales made through a marketplace facilitator, rather than attempting to collect taxes from numerous individual marketplace sellers, would improve efficiency.

Your Committee has amended this measure by:

- (1) Adding definitions for the terms "marketplace facilitator" and "referrer";
- (2) Establishing reporting requirements and penalties for marketplace facilitators and referrers;
- (3) Adding a severability clause; and
- (4) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1655, S.D. 1, and be placed on the calendar for Third Reading.

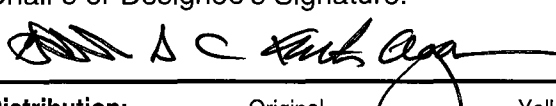
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB1655</b>	Committee Referral: <b>WAM</b>	Date: <b>3/27/18</b>			
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u><b>PASS WITH AMENDMENTS</b></u>					
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	
DELA CRUZ, Donovan M. (C)	X				
KEITH-AGARAN, Gilbert S.C. (VC)	X				
ENGLISH, J. Kalani	X				
GALUTERIA, Brickwood	X				
HARIMOTO, Breene				X	
INOUYE, Lorraine R.	X				
KAHELE, Kaiali'i	X				
KIDANI, Michelle N.				X	
RIVIERE, Gil	X				
SHIMABUKURO, Maile S.L.	X				
WAKAI, Glenn	X				
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>	
Recommendation:					
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>					
Chair's or Designee's Signature:					
					
Distribution:					
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy		

\*Only one measure per Record of Votes

The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB1655</b>	Committee Referral: <b>WAM</b>	Date: <b>3-13-18</b>		
<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
DELA CRUZ, Donovan M. (C)	/			
KEITH-AGARAN, Gilbert S.C. (VC)				/
ENGLISH, J. Kalani	/			/ <i>mat</i>
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
KIDANI, Michelle N.	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.				/
WAKAI, Glenn	/			
<b>TOTAL</b>	<i>mat</i> 98			<i>mat</i> 23
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;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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