

STAND. COM. REP. NO.

651

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 380
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 380 entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS
TAX, "

begs leave to report as follows:

The purpose and intent of this measure is to impose the
transient accommodations tax on resort fees and requires that
those fees be included in gross rental or gross rental proceeds.

Your Committee received testimony in opposition to this
measure from the Hawai'i Lodging and Tourism Association; Prince
Resorts Hawaii; Kohala Coast Resort Association; OLS Hotels and
Resorts; Waikoloa Beach Marriott Resort and Spa; Sheraton Kauai
Resort; Aqua-Aston Hospitality; Castle Resorts & Hotels; Hampton
Inn & Suites Oahu/Kapolei; Maui Hotel & Lodging Association;
Hilton Grand Vacations; Outrigger Hospitality Group; Marriott's
Maui Ocean Club; Hyatt Resorts Hawaii; Pualeilani Atrium Shops at
Hyatt Regency Waikiki Beach Resort & Spa; Hyatt Regency Waikiki
Beach Resort & Spa; Moana Surfrider, A Westin Resort & Spa;
Outrigger Enterprises Group; Trump International Hotel Waikiki;
Marriott Vacations Worldwide; Waikiki Resort Hotel; and Kyo-ya
Management Co., Ltd. Your Committee received comments on this
measure from the Department of Taxation and Tax Foundation of
Hawaii.



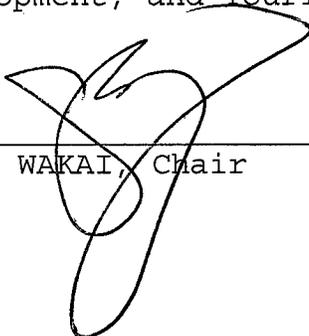
Your Committee finds that in recent years, the transient accommodations industry has expanded rapidly, especially in tourist destinations such as Hawaii. Although technological advancements have improved the lifestyle for many consumers, they have also introduced issues with tax compliance. Your Committee believes that further refinement and specificity are needed to address the growth of the transient accommodations industry while protecting the interests of state residents.

Your Committee has amended this measure by:

- (1) Amending the definition of "resort fees" to mean only mandatory charges or surcharges; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 380, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,



GLENN WAKAI, Chair



