

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 1111  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1111 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to increase the transient accommodations tax beginning July 1, 2009, and require any additional revenues collected from the increase to be deposited into the general fund.

Your Committee received testimony in opposition to this measure from two state agencies, two organizations, and eighteen private businesses and individuals. One state agency and one nongovernmental organization offered their comments. Copies of written testimonies and comments are available for review on the Legislature's website.

Your Committee finds that the State is exploring different avenues for increasing revenues to replace record shortfalls in the State budget. The Legislature is considering many different measures toward this end.

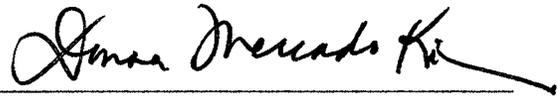
Your Committee also finds that while everyone in Hawaii is feeling the impact of the sluggish economy, the State needs to make tough decisions to increase revenues. Your Committee believes that, while this measure imposes a tax increase, it will help the State maintain services with only a minimal direct impact on Hawaii residents.



Your Committee has amended this measure by changing the effective date to July 1, 2059, to facilitate further discussion on this issue and technical and nonsubstantive changes for the purposes of clarity and consistency.

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. 1111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1111, 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,



DONNA MERCADO KIM, Chair



