

LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



KURT KAWAFUCHI  
DIRECTOR OF TAXATION

SANDRA L. YAHIRO  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510  
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**HOUSE COMMITTEE ON TRANSPORTATION  
TESTIMONY REGARDING SB 698 SD 3  
RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX**

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**

**DATE: MARCH 23, 2009**

**TIME: 9AM**

**ROOM: 309**

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This measure proposes to increase the rental motor vehicle surcharge tax to an unspecified amount per day for passenger vehicles and tour vehicles. This measure also directs a portion of the increase in tax to the general fund.

The Department of Taxation (Department) **opposes** this measure; and **prefers the transportation modernization priorities set forth in the Administration measure, SB 985/HB1167.**

Currently, there is a rental motor vehicle surcharge of \$3 per day, which will drop to \$2 per day after August 31, 2011.

This measure provides for an unspecified increase with the difference between the current tax rate and the increase being deposited to the general fund. The Department prefers the financing structure contained in SB 985/HB 1167, which will result in all such revenues being deposited into the State Highway Fund in order to capitalize on federal matching dollars for the benefit of the State's transportation improvements. This measure does not include the features contained in SB 985/HB 1167, the purpose of which is a comprehensive transportation modernization effort.

The Department also prefers SB 985/HB 1167 because its effective date is triggered upon a predetermined amount of growth in the State's economy.

This legislation will result in an indeterminate revenue impact because the tax amounts are blank.

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE, Increase tax; disposition for general fund

**BILL NUMBER:** SB 698, SD-3

**INTRODUCED BY:** Senate Floor Amendment 2

**BRIEF SUMMARY:** Amends HRS section 251-2 to increase the rental motor vehicle surcharge from \$3 to \$\_\_\_\_; the rental motor vehicle surcharge tax imposed on tour vehicles with over 25 passengers shall be increased from \$65 to \$\_\_\_\_; the rental motor vehicle surcharge tax imposed on tour vehicles with eight to 25 passenger seats shall be increased from \$15 to \$\_\_\_\_\_.

Amends HRS section 251-5 to provide that beginning on July 1, 2009, \_\_\_\_\_% of the collection of rental motor and tour vehicle surcharge taxes shall be deposited into the general fund.

**EFFECTIVE DATE:** July 1, 2070

**STAFF COMMENTS:** It appears that this measure is proposed to generate additional revenue for the state's general fund. While the adoption of this measure would bolster the state's general fund, it should be remembered that the state highway fund will be insolvent unless additional funds are found.

Obviously keeping the burden on non-voting visitors is politically driven especially in the wake of public complaints about the high cost of motor fuel in Hawaii. But is it necessarily the most accountable approach or for that matter transparent? Is this bill doing nothing more than hiding, if not forestalling, the problem facing the state highway fund? Does it perpetuate the inefficiencies that are inherent in a program that is entirely special-fund financed where the majority of the beneficiaries are not being asked to shoulder their fair share of the cost of operating this program? Since this resource is highly dependent on the use of rental vehicles, its fortunes will rise and fall with the visitor industry - which at the moment is forecasted to remain the dumps until at least 2010.

What would highway users say if indeed the fuel tax rates were increased to cover the forecasted shortfalls? Would they demand more accountability from highway officials for the repair and maintenance of the state roads? Would they ask more often why highway users are being asked to pay for so much when so little seems to be done to keep the roadways in good repair?

Since the highway fund is in dire straits, then the money that was taken to supplement the general fund in the 1990's should be returned and incremental increases in the fuel tax should be undertaken to ease the burden of taxes that will be needed over time to keep the fund solvent. Consideration might be given to reestablishing the transfer of general excise taxes collected on the sale of fuel for highway use to the highway fund as those taxes are paid by highway users.

Digested 3/20/09



**Martin Mylott**  
Hawaii Regional Manager

808 840 5500 T  
808 836 7830 F  
Martin.Mylott@avisbudget.co

Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: March 23, 2009

Re: SB 698,SD3 RELATING TO HIGHWAYS

Chair Souki and Honorable Committee Members:

My name is Martin Mylott and I am the Regional Manager with Avis Rent A Car and Budget Rent A Car.

We are opposed to this bill and support Catrala-Hawaii's views on this bill.

Some of the reasons for our opposition are as follows:

- 1) This bill is discriminatory and seeks to raise monies for the highway fund from just some users of the highways and not all users;
- 2) Why are you seeking to raise surcharge taxes on u-drive vehicles again when for the past 10 years or more they have been singled out and already are paying a 50% tax increase (temporarily \$2 to \$3 daily surcharge tax) when no other users of our highways have been asked to increase their payments into the highway fund. For the past 10 years u-drives have paid more than an extra \$150 million into the highway fund while other users have not paid any extra amounts;
- 3) The legislature has repeatedly asked the DOT to do a comprehensive study as to how to fairly raise necessary revenues for the highway fund and the DOT has failed to do so. Shouldn't a fair study be completed before you decide how to raise necessary revenues for the highway fund? When is the legislature going to require the DOT to complete such a study with public input? Why not? ;
- 4) The highway fund reportedly is having financial problems and extra monies collected by the modernization legislation is being deposited into special accounts and not the highway fund. The Tax Foundation has reported that problems with the highway fund are due in part to \$150 million in revenues transferred in the past out of the highway fund into the general fund . Are you going to raise monies again for highway fund purposes only to transfer it to the general fund when the highway fund is in need of revenues. Such transfers should not be allowed and are deceptive to motorists and others;
- 5) U-drives presently contribute over \$40 million dollars a year by way of surcharge taxes into

the highway fund. This amount is in addition to other fees and charges they pay on their vehicles like other motorists. Isn't this more than enough? Why isn't an extra \$40 million a year enough?

Please do not pass this unfair and discriminatory bill. Please be fair. Thank you.

Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: March 23, 2009

Re: SB 698,SD3 RELATING TO HIGHWAYS

Chair Souki and Honorable Committee Members:

My name is Michael Oh and I am the chair of the legislative committee for Catrala-Hawaii. Catrala's membership consists of the major u-drive companies in Hawaii and the many businesses which support our industry.

We are opposed to this bill which seeks to raise revenues for the highway fund from just u-drives and tour vehicles and not other users of the highways. We note the Administration is not in support of this bill which seeks to raise taxes in an unfair and discriminatory fashion.

The existing \$3 daily surcharge tax on u-drive vehicles is already the highest in the United States when compared to competing tourist destinations. In Florida the tax is \$2 daily and many tourists do not need to travel a minimum 2,500 miles by plane to visit Florida. You don't raise the TAT tax to the highest in the United States since it might discourage tourism. So why do you want to raise the daily surcharge tax for u-drives even higher?

Do not continue to raise taxes on tourists to the highest in the United States so Hawaii's competitors can say Hawaii is a "tax hell for tourists". This is not time to be raising such taxes especially those related to our tourist industry.

U-drives already are paying a 50% tax increase at the temporary rate of \$3 daily (permanent \$2 daily). The u-drives were singled out for this tax increase in 1999 and such tax increase was suppose to be temporary and now sunset in August 2011. Thus, u-drives already are paying a 50% tax increase since 1999 when no one else was paying as similar increase.

The surcharge tax on u-drives is a very severe and harsh tax since it is a "DAILY TAX".

Some of the other reasons we oppose this bill are:

- 1) The legislature has repeatedly asked the DOT to do a comprehensive study as to how to fairly raise necessary revenues for the highway fund and the DOT has failed to do so. Shouldn't a fair study be completed before you decide how to raise necessary revenues for the highway fund? When is the legislature going to require the DOT to complete such a study with public input? Why not? ;
- 2) The highway fund reportedly is having financial problems and extra monies collected by the modernization legislation is being deposited into special accounts and not the highway fund. The Tax Foundation has reported that problems with the highway fund are due in part to \$150 million in

revenues transferred in the past out of the highway fund into the general fund . Are you going to raise monies again for highway fund purposes only to transfer it to the general fund when the highway fund is in need of revenues. Such transfers should not be allowed and are deceptive to motorists and others;

3) U-drives presently contribute over \$40 million dollars a year by way of surcharge taxes into the highway fund. This amount is in addition to other fees and charges they pay on their vehicles like other motorists. Isn't this more than enough? Why isn't this extra \$40 million a year enough? Also, from the additional fees and charges on vehicles proposed in SB 1611 (not counting u-drive surcharge taxes) u-drive vehicles will have an added cost factor of more than \$10 million a year if the bill passes.

4) U-drives also contribute over \$30 million a year to the airport special fund which help to keep airline landing fees low. For many years the u-drives have received no significant improvements for these funds and last year had to ask the legislature to pass the CFC bill which allows for the collection of CFC fees to build such improvements. While such fees are presently only \$1 daily, they are expected to increase to about \$4 daily in the near future to support bonds for various improvements on the neighbor islands. Thus, various fees and charges for a daily rental may soon be \$12 or more daily. As a result its imperative we keep the daily surcharge taxes for u-drives low since they already are significant contributors to Hawaii's economy and tourism.

High u-drive fees and taxes discourage rentals and tourist satisfaction given the likely reduced number of days of rentals the tourists will have to enjoy the scenic sights, activities, restaurants and shops using their u-drive vehicles at their leisure. With the average daily stay for a tourist at 10 days, it will be very costly to rent a u-drive vehicle in Hawaii. It would be cheaper to go elsewhere where they can pay less for a u-drive vehicle and use it longer.

Please do not pass this unfair and discriminatory bill. Please be fair. Thank you.



Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: March 23, 2009

Re: SB 698,SD3 RELATING TO HIGHWAYS

Chair Souki and Honorable Committee Members:

My name is Garrick Higuchi and I am the Area Director with DTG Operations, Inc dba Dollar Rent a Car and Thrifty Car Rental.

We are opposed to this bill and support Catrala-Hawaii's views on this bill.

Some of the reasons for our opposition are as follows:

- 1) This bill is discriminatory and seeks to raise monies for the highway fund from just some users of the highways and not all users;
- 2) Why are you seeking to raise surcharge taxes on u-drive vehicles again when for the past 10 years or more they have been singled out and already are paying a 50% tax increase (temporarily \$2 to \$3 daily surcharge tax) when no other users of our highways have been asked to increase their payments into the highway fund. For the past 10 years u-drives have paid more than an extra \$150 million into the highway fund while other users have not paid any extra amounts;
- 3) The legislature has repeatedly asked the DOT to do a comprehensive study as to how to fairly raise necessary revenues for the highway fund and the DOT has failed to do so. Shouldn't a fair study be completed before you decide how to raise necessary revenues for the highway fund? When is the legislature going to require the DOT to complete such a study with public input? Why not? ;
- 4) The highway fund reportedly is having financial problems and extra monies collected by the modernization legislation is being deposited into special accounts and not the highway fund. The Tax Foundation has reported that problems with the highway fund are due in part to \$150 million in revenues transferred in the past out of the highway fund into the general fund . Are you going to raise monies again for highway fund purposes only to transfer it to the general fund when the highway fund is in need of revenues. Such transfers should not be allowed and are deceptive to motorists and others;
- 5) U-drives presently contribute over \$40 million dollars a year by way of surcharge taxes into the highway fund. This amount is in addition to other fees and charges they pay on their vehicles like other motorists. Isn't this more than enough? Why isn't an extra \$40 million a year enough?

Please do not pass this unfair and discriminatory bill. Please be fair. Thank you.

DTG Operations, Inc.  
1600 Kapiolani Blvd.  
Ste. 825  
Honolulu, HI 96814  
808-952-4242  
Fax 808-952-4255

# **E NOA CORPORATION**

March 23, 2009

## **House Committee on Transportation**

Chair Joseph Souki, Vice Chair Karen Awana, and Committee Members  
Public Hearing, March 23, 2009 9:00 a.m., Conference Room 309

### **TESTIMONY OF KATSUMI TANAKA, CEO E NOA CORPORATION IN OPPOSITION TO S.B. 698 SD3**

My name is Katsumi Tanaka, I am the Chief Executive Officer of E Noa Corporation, a locally owned transportation company which has for over 30 years provided quality service to our island visitors and residents. Until such time as the economic conditions begin to stabilize, we oppose further increases to the tour vehicle surcharge tax.

Passage of this proposed measure would place yet another financial burden on tour operators who have in recent years have seen the leisure travel market shift to other more competitive destinations. These tourism declines are having a dramatic impact on the local tour industry. This increase would place Hawai'i as a vacation destination at a greater competitive disadvantage, making our vehicle surcharge tax the highest in the nation. In addition these taxes are disproportionately targeting tour operators like us who are not allowed to add surcharges to our customer package pricing structure like other types of businesses. We must absorb these incremental expenses internally. Unlike the rental motor vehicle surcharge tax which is based on productivity, the tour vehicle surcharge tax is based on the existence of a vehicle rather than its productive use.

This proposed measure further acerbates the tour industry which continues to be strapped with unprecedented fuel costs, increased operating costs, coupled with recent weight tax increases which doubled the vehicle license fees surcharge. It is suggested that any increase be deferred during these economic times, and any future consideration be reviewed after the economy has had an opportunity to stabilize, this is particular critical for segments of the visitor industry and the State's economy which rely heavily on tourism.

We would be willing and able to meet with all interested and effected parties in an effort to constructively find an amicably resolution to the State's budgetary shortfalls, however it should not be at the expense of the multi-island's critical transportation services.

*Mahalo for the opportunity to comment on SB698 SD3 in opposition to the measure*

Respectfully,



Katsumi Tanaka  
CEO

1580 Makaloa Street, Suite 777  
Honolulu, Hawaii 96814  
Telephone (808) 524-0832 | Facsimile (808) 432-9661

*Hawai'i Ship Agents Association  
1240 Ala Moana Blvd., Suite 323  
Honolulu, Hawai'i, 96814*

March 23, 2009

**HOUSE COMMITTEE ON TRANSPORTATION**

Chair Joseph Souki, Vice Chair Karen Awana, and Committee Members  
Public Hearing, March 23, 2007, 9:00 p.m. Conference Room 309

**TESTIMONY OF WILLIAM F. ANONSEN, PRESIDENT**  
**HAWAII SHIP AGENTS ASSOCIATION**  
**IN OPPOSITION TO S.B. 698 SD3**  
**RELATING TO THE RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX**

My name is William Anonsen and I am the President of the Hawaii Ship Agents Association (HSAA) and respectfully submit this testimony on behalf of our membership. We oppose S.B.698 SD3 which proposes further increases to the rental motor vehicle and tour vehicle surcharge tax.

The HSAA is concerned that any proposed increase during our present economic down-turn could result in further detrimental damage to cruise line operators and other maritime related transportation service providers. We have recently experienced unprecedented declines in our visitor arrivals and most recently the business decision by NCL to withdraw two of their Hawai'i home-ported cruise ships which were deployed to other more competitive travel destinations. These actions have had and we if we do not take the appropriate action, will continue to exacerbate and translate into addition losses of visitors to our islands in the future.

Instead of creating additional hurdles and operating obstacles to our local car rental companies and tour operators, let's see what we can do to assist them in maintaining their current service levels and customer base and hopefully in the near future expansion that economically benefits both our residents and visitors.

**At this juncton and economic down-turn we urge the deferment of this measure**

Sincerely,

  
William F. Anonsen

President

Hawai'i Ship Agents Association



March 23, 2009

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION  
ON SB 698 SD3 RELATING TO THE RENTAL MOTOR VEHICLE AND  
TOUR VEHICLE SURCHARGE TAX**

Thank you Chair Souki, and committee members. I am Gareth Sakakida, Managing Director of the Hawaii Transportation Association (HTA) which has 380 transportation related members throughout the state of Hawaii.

HTA opposes an increase to the tour vehicle surcharge at this time, and opposes diverting any funds to the general fund at any time.

The tour vehicle surcharge tax is based on the existence of a vehicle rather than its' productive use, so through good and bad times we pay the same amount. Of course bad times make it so much more difficult to pay the surcharge.

In recent years the tour vehicle segment of the industry has suffered greatest in Hawaii transportation. The two largest markets for tour vehicles, especially the tour buses, are the Japanese and the cruise markets. The Japanese market has been on a general descent for some time now and the cruise market has skidded badly in 2008 with the departures of the Pride of Hawaii and Pride of Aloha.

Summary of visitor statistics

(NOTE: 2006 was a record breaking year for the visitor industry overall) :

<u>Year</u>	<u>Total visitor days vs. the previous year</u>	<u>Japanese Market</u>	<u>Total visitor spending vs. the previous year</u>	<u>Japanese Market</u>
2003	+3.0%	-11.1%	+4.7%	-10.4%
2004	+6.8%	+8%	+5.0%	-3.0%
2005	+6.9%	+1.1%	+8.4%	- 0.0%
2006	- 0.3%	-10.7%	+2.9%	- 6.5%
2007	-1.6%	-2.2%	+0.9%	- 1.2%
2008	-9.1%	- 9.7%	- 9.9%	- 3.1%

For 2009, visitor arrivals and visitor days are projected to decline 1.9% and 1.7%, respectively, while visitor expenditures are forecast to increase 0.7% from 2008. Our members have experienced reductions ranging between 9% and 25% in 2009 so far.

The Japanese market will have a difficult time rebounding as Japan Airlines is raising the airfare again on or about April 1 and/or further reducing capacity. Furthermore, Japan's economy is being hit to the extent that Toyota completely closed down in Japan to match production and inventory.

This illustrates how badly business for the tour vehicle segment has been, and is expected to be, impacted.

Thank you.



544 Ohohia Street, Ste 7  
Honolulu, HI 96819

Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: March 23, 2009

Re: SB 698,SD3 RELATING TO HIGHWAYS

Chair Souki and Honorable Committee Members:

My name is Michael Oh and I am the Regional Financial Manager with National Car Rental.

We join Catrala-Hawaii in opposing S.B. 698, SD1, and in expressing our concerns about this bill.

S.B. 698, SD1 increases the rental motor vehicle and tour vehicle surcharge tax to an unspecified amount. Enterprise opposes this proposed increase. U-drives in the recent past (at the temporary \$3 rate) have been contributing about \$40 million dollars a year. We believe that this is enough, given the usage by such vehicles and the fact that u-drive owners already pay taxes and fees on u-drive vehicles like other owners.

Also, of the total fees collected from surcharge taxes, it is our understanding that about 99% of the total surcharge taxes collected are from u-drive companies. We do not believe it is fair that we are bearing such a disproportionate amount of the surcharge taxes.

The need for increased funding appears in part to be due to the Administration's modernization program. This modernization program is the subject of S.B. 1611, SD1, which is also scheduled for decision making on Monday, March 23, 2009. We are submitting separate comments on S.B. 1611, SD1, expressing our concerns about the modernization program, and we respectfully request that you consider those concerns in light of our objections to the increase in the rental motor vehicle surcharge tax in S.B. 698, SD 1.

In view of the foregoing, we support Catrala's opposition to this bill. We believe u-drive vehicles are presently contributing more than their fair share to the State, and raising fees and taxes will only adversely affect the industry and Hawaii's tourism. Thank you for allowing us to submit our comments on this measure.

A handwritten signature in black ink that reads "Michael Oh" followed by a stylized flourish.

Michael Oh  
Regional Financial Manager



544 Ohohia Street  
Honolulu, HI 96819  
808-836-0130

Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: March 23, 2009

Re: SB 698,SD3 RELATING TO HIGHWAYS

Chair Souki and Honorable Committee Members:

My name is Paul Kopel and I am the V.P./General Manager with Enterprise Rent A Car.

We join Catrala-Hawaii in opposing S.B. 698, SD1, and in expressing our concerns about this bill.

S.B. 698, SD1 increases the rental motor vehicle and tour vehicle surcharge tax to an unspecified amount. Enterprise opposes this proposed increase. U-drives in the recent past (at the temporary \$3 rate) have been contributing about \$40 million dollars a year. We believe that this is enough, given the usage by such vehicles and the fact that u-drive owners already pay taxes and fees on u-drive vehicles like other owners.

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Paul Kopel  
V.P./General Manager



544 Queen Street, Ste 7  
Honolulu, HI 96819

Honorable Joseph Souki, Chair  
Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: March 23, 2009

Re: SB 698,SD3 RELATING TO HIGHWAYS

Chair Souki and Honorable Committee Members:

My name is Dave Wilson and I am the Regional Fleet Manager with Alamo Rent A Car.

We join Catrala-Hawaii in opposing S.B. 698, SD1, and in expressing our concerns about this bill.

S.B. 698, SD1 increases the rental motor vehicle and tour vehicle surcharge tax to an unspecified amount. Enterprise opposes this proposed increase. U-drives in the recent past (at the temporary \$3 rate) have been contributing about \$40 million dollars a year. We believe that this is enough, given the usage by such vehicles and the fact that u-drive owners already pay taxes and fees on u-drive vehicles like other owners.

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In view of the foregoing, we support Catrala's opposition to this bill. We believe u-drive vehicles are presently contributing more than their fair share to the State, and raising fees and taxes will only adversely affect the industry and Hawaii's tourism. Thank you for allowing us to submit our comments on this measure.

A handwritten signature in black ink, appearing to read "D. Wilson", is written over a horizontal line.

Dave Wilson  
Regional Fleet Manager

## TESTIMONY IN OPPOSITION TO SB 698

### A FEE INCREASE IS VERY UNWISE AT THIS TIME

House Committee on Transportation

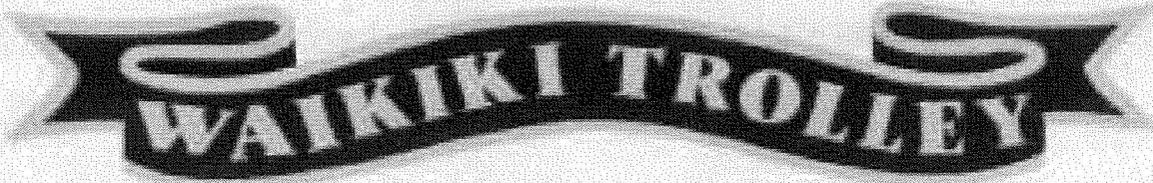
Monday, 23 March 2009 in room 309 at 0900

Chair Souki and Respected Members of the Committee;

My name is Reg White. I work in Hawaii's tourism industry. I can only tell you that this bill which proposes to increase the rental car and tour vehicle fees when our national economy is in trouble is most unwise. When people arrive to visit Hawaii they bring with them a finite amount of discretionary funding that they may spend while here. We can collect it up front in the form of a fee or we can allow them to spend it into our economy to support local jobs and businesses. When our small businesses are healthy employment is secure. These jobs and businesses return the money almost immediately back into the circulation of our local economy and you get tax on it time after time as it is spent and re-spent locally. You may not have both, so I heartily recommend that you leave the funds circulating in our local economy. You get two for one here as at the same time you do not scare away more visitors by making them see us as an expensive destination. **Please do not authorize an increase in the tour vehicle fees at this time in our economic history.**

Respectfully,

Reg White  
vp, project development  
Stars of Paradise Tours and Events  
RoyalStar Hawaii Transit  
1540 S. King St.  
Honolulu, HI 96826-1919  
(808) 222-9794  
[RawcoHI@cs.com](mailto:RawcoHI@cs.com)



March 21, 2009

Maki Kuroda, President Waikiki Trolley  
Committee on Transportation, CHAIRED BY Rep. Joe Souki,  
DATE: Monday, March 23, 2009  
TIME: 9:00am  
SB 698, SD3

**SB698 SD3**

**TESTIMONY OF WAIKIKI TROLLEY IN OPPOSITION TO  
DESIGNATED BILL MOVING THROUGH THE HAWAII STATE LEGISLATURE FOR  
PROPOSED TOUR VEHICLE SURCHARGE TAX INCREASES**

**WHO WE ARE**

Waikiki Trolley is packaged with many wholesale agents who send over one million tourists to Hawaii annually. As you may know, these tourists purchase large amounts of merchandise, attend numerous dining and entertainment establishments, and buy various services and products from other businesses, both large and small. This contributes substantial revenue for our state.

**CURRENT SITUATION**

The current federal government administration is attempting to help startup businesses, attempting to continue helping small businesses, and trying to provide opportunities for both new employees and experienced employees. Unfortunately, the proposed bills will put Waikiki Trolley - along with other transportation companies - right in the middle of this two-directional push and pull.

As a *tour transportation company* (in which we have faced a long period of very high fuel costs), we are *not allowed* to add fuel surcharges to our package pricing, while many other businesses, such as airline, shipping/delivery services, and the utility industry *are allowed* to do so. In addition, all expenses related in running a business has gone up substantially. To make matters more challenging, we are now faced with an extremely difficult economic environment due to many factors in today's global economy.

Consequently, instead of growing our company, we have found it necessary to let go of good, qualified employees and to increase the work of the existing staff.

**CONCLUSION**

It appears to be self-defeating to add fees and taxes in situations such as this. If this bill is to be passed, there will be a surprisingly large impact on tour related transportation businesses in Hawaii. The economic ripple effect will put many specialists and highly trained employees out of work, and negatively impact the economic lives of many everyday citizens. Careful consideration of the facts related here by the State of Hawaii in the interest of the State of Hawaii, and its working people is much appreciated.

Sincerely,



Maki Kuroda  
President

3015 Koaopa Street, Honolulu, Hawaii 96819 Telephone 808-593-8073 Fax 808-593-8752

## awana3-Elenoa

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 18, 2009 4:54 PM  
**To:** TRNtestimony  
**Cc:** captcoon@hawaiiantel.net  
**Subject:** Testimony for SB698 on 3/23/2009 9:00:00 AM

**Categories:** Purple Category

Testimony for TRN 3/23/2009 9:00:00 AM SB698

Conference room: 309  
Testifier position: oppose  
Testifier will be present: No  
Submitted by: James Coon  
Organization: Ocean Tourism Coalition  
Address: 820 Mililani St. Honolulu, HI 96813  
Phone: 537-4308  
E-mail: [captcoon@hawaiiantel.net](mailto:captcoon@hawaiiantel.net)  
Submitted on: 3/18/2009

**Comments:**

We believe that this bill which proposes to increase the rental car and tour vehicle fees when our national economy is in trouble is most unwise. Please do not authorize an increase in the rental car and tour vehicle fees at this time in our economic history.  
Please hold/kill SB 698

**awana3-Elenoa**

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**From:** Capt Mike [captmike@hawaii.rr.com]  
**Sent:** Wednesday, March 18, 2009 9:21 PM  
**To:** TRNtestimony  
**Subject:** OPPOSITION to SB 698

STRONGLY OPPOSE HB 698

Dear Sirs: My name is Michael De Rego and I have worked in the tourist industry for over 35 years. Please do not add any taxes to this industry. Our small business's can not afford to loose more sales. Presently our sales number are over 35% less than 2008.

Please do not pass any bills that will negatively impact our major industry.

Michael De Rego  
Inter Island Sport Fishing  
President  
(808) 306-2097