

STAND. COM. REP. NO. **3102**

Honolulu, Hawaii

APR 09 2010

RE: S.C.R. No. 234  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred  
S.C.R. No. 234 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE STATE ATTORNEY  
GENERAL TO INVESTIGATE WHETHER TRANSIENT ACCOMMODATIONS AND  
GENERAL EXCISE TAXES ON THE INTERNET SALE OF HOTEL ROOM  
ACCOMMODATIONS ARE BEING ASSESSED, COLLECTED, AND REMITTED TO  
THE STATE AND TO TAKE APPROPRIATE LEGAL ACTION, AS  
NECESSARY,"

begs leave to report as follows:

The purpose of this measure is to request the Attorney  
General to investigate whether transient accommodations and  
general excise taxes on the internet sale of hotel room  
accommodations are being assessed, collected, and remitted to the  
State and to take appropriate legal action as necessary.

Your Committee finds that internet travel services, such as  
Expedia and Orbitz offer competitive travel rates and ease of  
purchase for travelers worldwide. These services include package  
rates for travel, lodging, and other amenities that are paid for  
online and not upon arrival at a destination. If these sales were  
conducted in the State or by travel agents, the transient  
accommodations tax and the general excise tax would have been  
assessed and collected. It is unclear whether internet travel  
service providers are collecting and remitting the applicable  
transient accommodations tax and the general excise tax to the  
State.



Revenues from the transient accommodations tax and the general excise tax support not only the activities of Hawaii's visitor industry, but provide critical financial support to the four counties, especially during the current economic crisis.

Your Committee therefore finds that it is justified and appropriate to request the Attorney General to investigate, take appropriate legal action, and to report to the Legislature on whether the transient accommodations tax and the general excise tax on the internet sale of transient accommodations are being assessed, collected, and remitted to the State.

Your Committee has amended the measure by:

- (1) Changing the title and "Be it Resolved" clause to clarify that the scope of the Attorney General's investigation is to include all transient accommodations that are subject to the transient accommodations tax and the general excise tax; and
- (2) Making technical nonsubstantive changes for the purposes of clarity 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 concurs with the intent and purpose of S.C.R. No. 234, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 234, S.D. 1.

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

  
DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

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

Bill / Resolution No.:* <b>SCR 234</b>	Committee Referral: <b>WAM</b>	Date: <b>4/7/10</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: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div><input type="checkbox"/> Pass, unamended 2312</div> <div><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div><input type="checkbox"/> Hold 2310</div> <div><input type="checkbox"/> Recommit 2313</div> </div>				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood				/
HEE, Clayton				/
HOOSER, Gary L.				/
KIDANI, Michelle N.		/		
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report      Clerk's Office      Drafting Agency      Committee File Copy				

**\*Only one measure per Record of Votes**