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Honolulu, Hawaii March I

, 2013

RE: H.B. No. 334

H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 334 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to allow for consistent and uniform application of the tax law for taxpayers in the hospitality industry. Specifically, this bill:

- (1) Makes permanent the provision that allows submanagers the same General Excise Tax exemption allowed to managers or board of directors of associations of apartment owners or nonprofit homeowners or community associations for amounts received in reimbursement of sums paid for common expenses; and
- (2) Makes permanent the provision that allows operators and suboperators of hotels a General Excise Tax exemption for amounts received from the operator or owner of the hotel or a timeshare association, as applicable, for disbursement for employee wages, salaries, payroll taxes, insurance premiums, and benefits.

The Hawaii Tourism Authority, Outrigger Hotels Hawaii, Hawaii Association of REALTORS, and Wyndham Vacation Ownership supported this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments on this measure.

HB334 HD1 HSCR FIN HMS 2013-2290

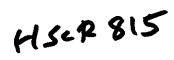
Your Committee has amended this measure by changing its effective date to July 1, 2030, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 334, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 334, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.: HB334	Committee Referral: TOU, FIN	Date: 02	2/21/13	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand				
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee				
11. ONISHI, Richard H.K.				
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.				
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth				
17. WARD, Gene				
TOTAL (17)	1+			
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				