STAND. COM. REP. NO. Honolulu, Hawaii , 2013 RE: H.B. No. 963 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 Tourism, to which was referred H.B. No. 963 entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend provisions related to the collection and allocation of the Transient Accommodations Tax by:

- Making permanent the current Transient Accommodations Tax rate of 9.25 percent;
- (2) Repealing the \$10 daily Transient Accommodations Tax levied on transient accommodations furnished on a complimentary or gratuitous basis;
- (3) Adjusting the allocation of revenues to the Convention Center Enterprise Special Fund, Tourism Special Fund, and the counties; and
- (4) Making permanent the limits on deposits into the Tourism Special Fund and amounts transferred to the counties.

The Department of Taxation supported this measure. The ILWU Local 142 and Hawaii Tourism Authority supported the measure with amendments. The Chamber of Commerce of Hawaii, Maui Hotel and Lodging Association, Hawaii Lodging and Tourism Association,

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Hawai'i Council of Mayors, Maui Chamber of Commerce, Department of Finance of the County of Kauai, and several members of the Maui County Council opposed this measure. The City and County of Honolulu, Waikiki Improvement Association, and Tax Foundation of Hawaii offered comments on the measure.

Your Committee has amended this measure by:

- Repealing the \$71,000,000 limit on deposits into the Tourism Special Fund and amending the percentage of revenues allocated to that special fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 963, H.D. 1, and be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Tourism,

TOM BROWER, Chair



State of Hawaii House of Representatives

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Record of Votes of the Committee on Tourism

Bill/Resolution No.:Committee Referral:Date:HB963TOUIFIN2/11/13				
□ The committee is reconsidering its previous decisi	on on the measure.			
The recommendation is to: Image: Pass, unamended Image: Pass short form Image: Pass short form	. ,	s, with amendments (mmit for future public		
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)				
2. CACHOLA, Romy M. (VC)				
3. CHOY, Isaac W.			10 B 10	
4. OHNO, Takashi				
5. ONISHI, Richard H.K.				
6. TAKAYAMA, Gregg				
7. TOKIOKA, James Kunane				
8. TSUJI, Clift				-
9. WARD, Gene			· • •	
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TOTAL (9)	7	1	Ø	
The recommendation is: Adopted If joint referral,	Not Adopte committee acronym(s	did not suppor	t recommendation	n.
Vice Chair's or designee's signature:	CANNER) MUL	A		
Distribution: Original (White) – Committee	Duplicate (Yellow) -	Chief Clerk's Office	Duplicate (I	Pink) – HMSO