

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2009
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2009, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify the property types that may be furnished as transient accommodations and subject to the transient accommodations tax.

Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation, Office of Hawaiian Affairs, and Tax Foundation of Hawaii.

Your Committee finds that this measure provides further clarity on the property types that may be used as transient accommodations. However, your Committee notes the concerns raised in written testimony by the Tax Foundation of Hawaii that repealing the word "regularly" from the definitions of "lease", "let", or "rental" and "transient accommodations" may be problematic because the transient accommodations tax is designed to be a business privilege tax, and removal of the word "regularly" may cause an isolated instance of letting out a spare room or vacation home to trigger tax liability even though the taxpayer is not running a business.



Accordingly, your Committee has amended this measure by:

- (1) Reinstating the word "regularly", as appropriate, under the definitions of "lease", "let", or "rental" and "transient accommodations";
- (2) Clarifying that an accessory dwelling is a dwelling within an accessory dwelling unit; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2009, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2009, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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



WILL ESPERO, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* HB 2009, HD1	Committee Referral: HOU, WAM	Date: 3/20/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)				✓
GREEN, Josh	✓			
KAHELE, Kaiali'i				✓
NISHIHARA, Clarence K.	✓			
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Josh Green</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes