STAND. COM. REP. NO.

470-20

Honolulu, Hawaii

, 2020

FEB 13

RE: H.B. No. 2366

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Tourism & International Affairs, to which was referred H.B. No. 2366 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the misdemeanor for failing to obtain a transient accommodations tax (TAT) registration identification number and replaces the misdemeanor with a monetary fine in order to be consistent with similar violations under the general excise tax law;
- (2) Remove outdated provisions requiring taxpayers to file and pay at specific taxation districts;
- (3) Apply personal liability for certain controlling officers under section 237-41.5, Hawaii Revised Statutes, to the TAT; and
- (4) Replace the specific term "operator or plan manager" with "person" or "taxpayer" to ensure that there are no technical defenses or loopholes to any TAT provisions since the imposition of TAT on transient accommodations brokers, travel agents, and tour packagers enacted by Act 211, Session Laws of Hawaii 2018.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that many provisions of the TAT law are out of date and must be updated. Your Committee further finds that by making necessary updates and replacing the misdemeanor penalty for failure to register to engage or continue in the business of furnishing transient accommodations or as a plan manager with a fine structure, this measure will streamline TAT laws and make the penalty for failure to register consistent with similar violations under the general excise tax law.

As affirmed by the record of votes of the members of your Committee on Tourism & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2366 and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Tourism & International Affairs,

RICHARD H.K. ONISHI, Chair



H5CR 410.20

Record of Votes of the Committee on Tourism & International Affairs

State of Hawaii House of Representatives The THIRTIETH Legislature

Bill/Resolution No.:	Committee Referral: Date:			
HB2366	TIA, FIN Feb. 11, 2020			
☐ 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)				
TIA Members	Ayes	Ayes (WR)	Nays	Excused
1. ONISHI, Richard H.K. (C)				
2. HOLT, Daniel (VC)				
3. CABANILLA ARAKAWA, Rida		1 V	See Amade (Stage of the See See See See See See See See See S	
4. CACHOLA, Romy M.		1		
5. CREAGAN, Richard P.			<u>ima aga perta Romano de la vecablació</u>	
		全 式基金 医医透透		
6. DeCOITE, Lynn				
7. PERRUSO, Amy A.		A	n i se se esta de la esta de la composició	
8. OKIMOTO, Val				
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TOTAL (8)	8	٥	Ò	0
The recommendation is: Adopted If joint referral, committee acronym(s) Not Adopted did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				