



**Testimony to the Senate Committee on Tourism and International Affairs  
Wednesday, March 18, 2015 at 2:45 P.M.  
Conference Room 225, State Capitol**

**RE: HOUSE BILL 169 HD1 RELATING TO TAXATION**

Chair Kahele, Vice Chair English, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** HB 169 HD1, which amends the definition of fair market rental value and increases the transient accommodations tax imposed on resort time share vacation units by 1 per cent each year to gradually achieve a rate of 9.25 per cent of the fair market rental value.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber feels that this increase on the transient accommodations tax for vacation units is overbearing as timeshare owners already pay general excise taxes, real property taxes, and transient accommodation taxes for occupancy of property that they already own. We understand that the transient accommodations taxes for hotels has increased and that this bill seeks to even the playing field. If this bill is to pass, we ask that the language in HD1 be adopted rather than the original language.

Thank you for the opportunity to testify.



**LATE**

**HAWAI'I LODGING & TOURISM**  
**ASSOCIATION**

Testimony of George Szigeti  
President & CEO  
HAWAI'I LODGING & TOURISM ASSOCIATION  
Committee on Tourism and International Affairs  
Hearing on March 18, 2015, 2:45 P.M.  
HB 169 H.D.1 Relating to Taxation

Dear Chair Kahele, Vice Chair English, and Members of the Committee. My name is George Szigeti and I am the President and CEO of the Hawai'i Lodging & Tourism Association.

The Hawai'i Lodging & Tourism Association (HLTA) is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms that benefit from and strengthen Hawai'i's visitor industry. Our membership includes over 150 lodging properties, representing over 50,000 rooms, and over 400 other Allied members. The visitor industry was responsible for generating \$14.9 billion in visitor spending in 2014 and supported 170,000 jobs statewide – we represent one of Hawai'i's largest industries and a critical sector of the economy.

On behalf of HLTA, permit me to offer comments regarding House Bill 169 H.D. 1 relating to taxation, which amends the definition of fair market rental value. Increases the transient accommodations tax imposed on resort time share vacation units by 1 per cent each year to gradually achieve a rate of 9.25 per cent of the fair market rental value. (HB169 HD1)

The Hawai'i Lodging & Tourism Association would not like to see an increase in transient occupancy taxes imposed on resort time share vacation units, but we appreciate the amendments made to this measure in H.D.1. The Committee on Tourism has amended the measure to phase in the increase of Transient Occupancy Taxes over a 2-year span as was done for the TAT, and has also amended the definition of "fair market value" based on the industry's testimony. With these amendments we feel that the bill is more equitable.

Thank you for this opportunity to testify.



**LATE**

**OUTRIGGER<sup>®</sup>**  
**ENTERPRISES GROUP**  
*Hospitality • Retail • Development*

THE SENATE  
THE TWENTY-EIGHTH LEGISLATURE  
REGULAR SESSION OF 2015

COMMITTEE ON TOURISM & INTERNATIONAL AFFAIRS  
Senator Gilbert Kahele, Chair

3/18/2015  
Rm. 225, 2:45 PM

HB 169, HD 1  
Relating to Taxation

Chair Kahele & Members of this Committee, my name is Max Sword, here on behalf of Outrigger Enterprises Group, to offer our comment regarding HB 169, HD 1.

While we are advocates of the fair application of taxes to maintain a level playing field within an industry, we are at the same time not advocates of any new taxes.

With that being said, if this bill is to be passed out we would support the stand of the industry in support of the language in HD 1, regarding a phasing in of the tax increase over the course of a couple of years.

Mahalo for the opportunity to submit this testimony.