

STAND. COM. REP. NO.

2799

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 3017  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3017, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to clarify that the daily \$10 tax on transient accommodations furnished on a complimentary or gratuitous basis includes transient accommodations furnished without tangible industry development or promotional purposes, but does not include transient accommodations furnished as part of a tourism industry promotional or marketing activity.

Written comments in support of this measure were submitted by the Department of Taxation and the Hawaii Tourism Authority.

Your Committee finds that there has been some uncertainty in the tourism industry regarding the taxation of complimentary or gratuitous transient accommodations since the enactment of Act 103, Session Laws of Hawaii 2011. Your Committee believes that this measure will clarify the specific types of transient accommodations that are considered complimentary or gratuitous, and subject to the daily \$10 tax.

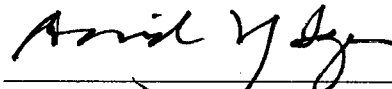
Your Committee has amended this measure by:



- (1) Deleting the phrase "furnished without tangible industry development or promotional purposes" from the description of transient accommodations included in the definition of "complimentary or gratuitous basis";
- (2) Clarifying that activities for travel agents are not included in the definition of "complimentary or gratuitous basis"; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3017, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3017, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 3017, SBI</b>	Committee Referral: <b>T&amp;M, WAM</b>	Date: <b>2-23-12</b>		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>1</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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\*Only one measure per Record of Votes