

STAND. COM. REP. NO.

786

Honolulu, Hawaii

February 19, 2015

RE: H.B. No. 1327

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1327 entitled:

"A BILL FOR AN ACT RELATING TO REAL PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to permit a taxpayer that provides transient accommodations on real property leased from a related entity to claim a general excise tax deduction from the amount of gross proceeds or gross income received from providing the transient accommodations.

Host Hotels & Resorts, L.P., supported this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee notes the concerns of the Department of Taxation which stated that the proposed general excise tax deduction for specific taxpayers would be difficult to administer, run the risk of violating consumer protection law, and create an uneven playing field for similarly situated taxpayers who engage in the business of furnishing transient accommodations. Although your Committee acknowledges these concerns, your Committee recommends that this measure proceed through the legislative process to facilitate further discussion.

Your Committee has amended this measure by changing its effective date to July 1, 2020, to promote further discussion.

HB1327 HD1 HSCR TOU HMS 2015-1832



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. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1327, 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
The Twenty-eighth Legislature

HSCR 386

Record of Votes of the Committee on Tourism

Bill/Resolution No.: HB 1327	Committee Referral: TOU, FIN	Date: 2/11/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	✓			
2. OHNO, Takashi (VC)	✓			
3. CACHOLA, Romy M.	✓			
4. CHOY, Isaac W.				✓
5. ITO, Ken				✓
6. KAWAKAMI, Derek S.K.	✓			
7. KONG, Sam Satoru	✓			
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane	✓			
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene	✓			
TOTAL (13)	11	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Takashi Ohno</i></u>				
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