

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 1470

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1470 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to ease the burden of tax collection by allowing hosting platforms for short-term rental lodging operations to collect and remit Transient Accommodations Tax and General Excise Tax on behalf of operators that furnish short-term rental lodging. Specifically, this measure:

- (1) Requires hosting platforms to report detailed operator information, including addresses and number of booking transactions, with tax returns;
- (2) Requires short-term rental lodging operators to keep records of each booking transaction for a period of at least three years;
- (3) Limits the number of short-term rental lodging units that can be registered by any one operator and sets a cap on the number of nights permitted; and
- (4) Creates a surcharge on short-term rental lodging in the State to fund supportive services for Hawaii's homeless residents.



Outrigger Hotels Hawaii, Hawaii Lodging & Tourism Association, Hilton Hawaii, Marriott Hawaii, International Longshore and Warehouse Union Local 142, Kailua Neighborhood Board, Kyoya Management Company, Ltd., and two concerned individuals supported this measure. Airbnb, Hawaii Association of Realtors, Coalition for Equal Taxation, Oahu Alternative Lodging Association, Rental By Owner Awareness Association, Bridges to Paradise Rentals Inc., Internet Association, and numerous concerned individuals opposed this measure. The Attorney General, Department of Taxation, Tax Foundation of Hawaii, Land Use Research Foundation of Hawaii, UNITE HERE Local 5, and Kona Coast Vacations offered comments on this measure.

Your Committee has amended this measure by:

- (1) Removing language that limited the number of short term rental lodging units that can be registered by any one operator;
- (2) Removing provisions that created a surcharge on short-term rental lodging in the State;
- (3) Removing a provision that imposed a \$10,000 annual fee for the right to do business in the State as a hosting platform;
- (4) Removing a provision that set a cap on the total number of nights of operations per year permitted for a short-term rental lodging unit;
- (5) Clarifying that provisions relating to certificates of registration and the display or publication of registration information shall apply equally to all classes of transient accommodations and time shares; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1470, H.D. 1, and be referred to your Committee on Judiciary.



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



RICHARD H.K. ONISHI, Chair



