

STAND. COM. REP. NO.

672

Honolulu, Hawaii

FEB 20 2019

RE: S.B. No. 1268

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1268 entitled:

"A BILL FOR AN ACT RELATING TO TAX REPORTING,"

begs leave to report as follows:

The purpose and intent of this measure is to revise the reporting requirements for persons who collect rent or gross rental proceeds on behalf of real property owners and transient accommodation operators and to require that the full amount of the funds collected be reported to the Department of Taxation.

Further, this measure establishes fines for persons who fail to comply with the reporting requirements.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received testimony in opposition to this measure from Expedia.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that state law does not currently penalize persons who do not comply with the reporting requirements of sections 237-30.5 and 237D-8.5, Hawaii Revised Statutes.

SB1268 SD1 SSCR LRB 19-1155.doc



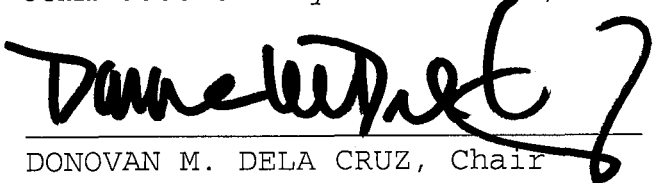
Your Committee believes that establishing a monetary penalty for failing to file the appropriate information with the Department of Taxation and increasing the information required to be reported will increase compliance and tax collections while reducing administrative costs.

Your Committee has amended this measure by:

- (1) Inserting a savings clause section;
- (2) Changing the effective date from upon approval to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 1268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1268, S.D. 1, and be placed on the calendar for Third Reading.

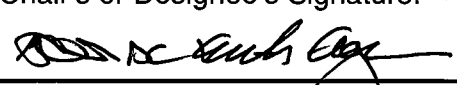
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1268	Committee Referral: WAM	Date: 2/11/19		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.				X
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	10			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes