

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 714  
S.D. 2

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. 714, 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 make necessary updates to the transient accommodations tax law.

Specifically, this measure:

- (1) Includes resort fees and other fees among the gross rental and gross rental proceeds upon which the tax is calculated for transient accommodations;
- (2) Increases the fair market rental value base upon which a time share unit is taxed to an amount equal to one hundred percent of the gross daily maintenance fees paid by the unit owner and attributable to the unit; and
- (3) Specifies that transient accommodations intermediaries who arrange transient accommodations at noncommissioned negotiated contract rates shall pay the tax.



Your Committee received written comments in opposition to this measure from American Resort Development Association-Hawaii, Aqua-Aston Hospitality, and Kohala Coast Resort Association

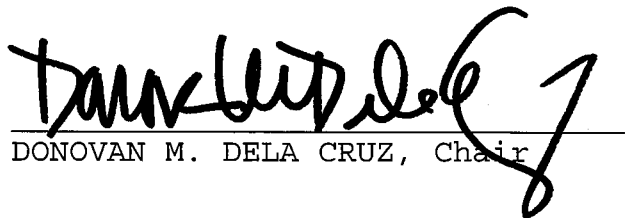
Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that, as the transient accommodations industry is increasingly evolving, it is necessary for the transient accommodations tax law to adapt accordingly to ensure compliance with the law and timely collection of the tax.

Your Committee has amended this measure by making technical nonsubstantive changes 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. 714, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 714, S.D. 2.

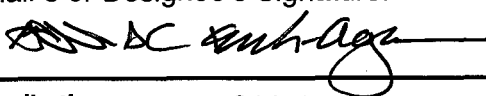
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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.:*	Committee Referral:	Date:		
SB714 SDI	EET, WAM	2/19/19		
<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	
<b>TOTAL</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>5</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes