

Honolulu, Hawaii

, 2020

FEB 13

RE: H.B. No. 2366

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Tourism & International Affairs, to which
was referred H.B. No. 2366 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the misdemeanor for failing to obtain a transient accommodations tax (TAT) registration identification number and replaces the misdemeanor with a monetary fine in order to be consistent with similar violations under the general excise tax law;
- (2) Remove outdated provisions requiring taxpayers to file and pay at specific taxation districts;
- (3) Apply personal liability for certain controlling officers under section 237-41.5, Hawaii Revised Statutes, to the TAT; and
- (4) Replace the specific term "operator or plan manager" with "person" or "taxpayer" to ensure that there are no technical defenses or loopholes to any TAT provisions since the imposition of TAT on transient accommodations brokers, travel agents, and tour packagers enacted by Act 211, Session Laws of Hawaii 2018.



Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that many provisions of the TAT law are out of date and must be updated. Your Committee further finds that by making necessary updates and replacing the misdemeanor penalty for failure to register to engage or continue in the business of furnishing transient accommodations or as a plan manager with a fine structure, this measure will streamline TAT laws and make the penalty for failure to register consistent with similar violations under the general excise tax law.

As affirmed by the record of votes of the members of your Committee on Tourism & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2366 and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Tourism &
International Affairs,



RICHARD H.K. ONISHI, Chair



