

STAND. COM. REP. NO. 1193

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 1043
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1043, H.D. 3, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend chapter 237D, Hawaii Revised Statutes, relating to the transient accommodations tax by:

- (1) Repealing the misdemeanor criminal penalty for failing to register under and replace it with a monetary fine structure;
- (2) Replacing references to "operator or plan manager" with the terms "person" or "taxpayer";
- (3) Clarifying that a certificate of registration is required for persons advertising transient accommodations;
- (4) Applying the personal liability provision under general excise tax law to the transient accommodations tax; and
- (5) Making various technical amendments.



Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from Airbnb and one individual.

Your Committee finds that the transient accommodations tax serves as an important source of revenue for the State. Your Committee further finds that a number of inconsistencies, loopholes, and ambiguities have been identified that adversely affect enforcement and administration of the transient accommodations tax. This measure assists the Department of Taxation in the imposition of the transient accommodations tax by simplifying and streamlining certain provisions and processes.

Your Committee has amended this measure by:

- (1) Clarifying that the registration requirement for persons other than transient accommodations brokers, travel agencies, or tour packagers applies only to persons who are subject to the transient accommodations tax;
- (2) Replacing "operator and plan manager" with "taxpayer" to conform with other amendments made by the measure;
- (3) Changing the effective date to January 1, 2022; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

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



KARL RHOADS, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1043, HD3	JDC, WAM	3/23/2021

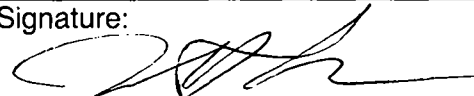
The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
KEOHOKALOLE, Jarrett (VC)	✓			
ACASIO, Laura	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
LEE, Chris	✓			
FEVELLA, Kurt	✓			
TOTAL	7	0	0	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes