

STAND. COM. REP. NO. 492 -06

Honolulu, Hawaii
Feb 17, 2006

RE: H.B. No. 2214

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2214 entitled:

"A BILL FOR AN ACT RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX,"

begs leave to report as follows:

The purpose of this bill is to assist the motor vehicle industry by reducing from \$3 to \$2 per day, the rental motor vehicle surcharge tax that was levied for the period between September 1, 1999, to August 31, 2007.

Catrala-Hawaii testified in support of this bill with an amendment. The Department of Transportation and Department of Taxation opposed this measure. The Tax Foundation of Hawaii commented.

Your Committee heard testimony that the rental car industry generally opposes the addition of any fees passed on to tourists because this may have a detrimental effect on their competitive position with regard to other tourist destinations. However, your Committee recognizes that this relatively small \$1 reduction in the surcharge will have a substantial impact on state revenues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2214 and recommends that it be referred to the Committee on Finance.

HB2214 HSCR CPC HMS 2006-2143



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



