

STAND. COM. REP. NO.

2337

Honolulu, Hawaii

FEB 17

, 2006

RE: S.B. No. 2458

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing, to which was referred S.B. No. 2458 entitled:

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

beg leave to report as follows:

The purpose of this measure is to reduce the \$3 per day rental motor vehicle surcharge tax to \$2 per day.

Your Committees received testimony in support of this measure from Catrala-Hawaii. Testimony in opposition was received from the Department of Taxation and Department of Transportation. Comments were received from the Tax Foundation of Hawaii.

Enacted by Act 263, Session Laws of Hawaii 1991, the rental motor vehicle surcharge tax was originally \$2 per day. Act 223, Session Laws of Hawaii 1999, temporarily raised this tax to \$3 per day for the period from September 1, 1999, to August 31, 2007. Your Committees are concerned that the \$3 daily surcharge tax on rental motor vehicles could adversely affect Hawaii's competitive image as a fair and attractive tourist destination.

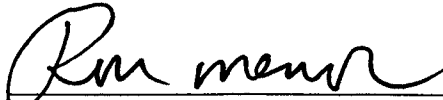
Your Committees find that there was a significant increase in revenues to the state general fund in 2005. This increase is expected to continue through 2007 and probably longer in view of Hawaii's positive tourism outlook. In light of a healthy general fund along with significant increases in revenues to the state



highway fund, your Committees believe that it is fair and appropriate to reduce the rental motor vehicle surcharge tax.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2458 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing,



RON MENOR, Chair




LORRAINE R. INOUE, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Transportation and Government Operations
(Bills and Resolutions)

Measure:* SB 2458	Committee Referral: TGO/CPH, WAM	Date: 2/13/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (2312) <input type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
INOUYE, Lorraine R. (C)	✓			
ESPERO, Will (VC)	✓			
BAKER, Rosalyn H.				✓
HEE, Clayton	/			
KANNO, Brian				✓
MENOR, Ron				✓
WHALEN, Paul	/			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.

