

Honolulu, Hawaii

Feb 29, 2008

RE: H.B. No. 3196
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 3196, H.D. 1, 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 maintain one source of revenue stream for the State Highway Fund (Fund) by extending the assessment of the \$3 per day rental motor vehicle surcharge tax for an additional year.

In addition, this bill provides a long-range assessment of the needs of the Fund by requiring the Department of Transportation (DOT) to:

- (1) Conduct a review and study of the financial requirements of the Fund; and
- (2) Report its findings, and proposed legislation for increasing revenue sources for the Fund to meet its ongoing and future needs, prior to the start of the Regular Session of 2009.

The Department of Taxation, DOT, and Catrala-Hawaii testified in support of this bill. The Tax Foundation of Hawaii commented on this measure.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3196, H.D. 1, and recommends that it pass Third Reading.

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


MARCUS R. OSHIRO, Chair



