

AVIS**LATE**

Honorable Russell Kokubun, Chair
Committee on Commerce, Consumer
Protection and Affordable Housing
Senate
State of Hawaii

Hearing: March 11, 2008, 9:00 a.m., Conf. Room 229

Re: HB 3196, HD1 — Relating To The Rental Motor Vehicle Surcharge Tax

Honorable Chair Kokubun and Honorable Committee Members:

My name is Martin Mylott and I am the Hawaii Regional Manager with Avis Rent a Car.

Our company supports this bill in its present form which is consistent with the position taken recently by the Joint Senate and House Task Force which studied the need of how to raise revenues for the Highway Fund from all users of the highways and not just u-drive vehicles and tour vehicles which pay surcharge taxes.

The Joint Senate and House Task Force thus concluded in its report to the legislature:

"The Task Force defers to the Forum and the DOT for now and requests that the DOT report to the Legislature when the Forum finalizes its recommendations, with the expectation that the matter will result in proposed legislation for consideration for the 2009 Regular Session".

Please do not seek to unfairly increase the daily surcharge tax to our industry on a permanent basis. If more revenues are needed for the Highway Fund, the DOT should do study as requested by the Task Force as to how to fairly raise necessary funds from all users of the Highway and not to just single out the u-drive industry.

SB 2501 passed by the Senate is contrary to the Task Force recommendation and suggests an unfair permanent tax increase. The DOT agrees with Catrala that its survey of surcharges is not valid and yet this Committee and others appear to rely on such a survey. Catrala's testimony points to examples as to why the survey is not valid.

Please be fair. Do not unfairly single out the u-drive industry for a permanent tax increase. Before any taxes or fees are increased the DOT should be required to do a study as to how to fairly raise revenues from all relevant sources and users of the highways.

Thank you for allowing us to testify on this bill. Please pass this bill whose goals are consistent with the recommendation of the Joint Senate and House Task Force.