TOURISM LIAISON

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Statement of
MARSHA WIENERT
Tourism Liaison
Department of Business, Economic Development & Tourism
before the
HOUSE COMMITTEE ON TOURISM, CULTURE & INTERNATIONAL AFFAIRS
Monday, February 2, 2009
8:30 a.m.
State Capitol, Conference Room 312

in consideration of
HB 756
RELATING TO THE GENERAL EXCISE TAX.

Chair Manahan, Vice Chair Tokioka and Members of the House Committee on Tourism, Culture and International Affairs.

The Department of Business, Economic Development and Tourism has concerns regarding HB 756, as it could have a significant impact on the General Fund. HB 756 provides a general excise tax exemption for amounts received for the provision of facilities and services for convention, meeting and incentive (CMI) program events that are paid for by national and international organizations. The exemption does not apply, however, to conventions, meetings and incentive programs that are paid for from an account in a foreign bank, a federal financial institution whose operations are not conducted in this state, or an out-of-state bank chartered under the laws of any state other than Hawai'i.

Related to our concerns, we are unsure as to the intent of HB 756. The statistics stated in the measure regarding the CMI market and its impact on our economy are statistics for offshore programs, or programs implemented by foreign and mainland companies. These programs are

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almost entirely paid for through foreign banks, federal financial institutions whose operations are not conducted in this state, or out-of-state banks chartered under the laws of other states. Therefore, we are uncertain as to how HB 756 would assist in the sales efforts to bring CMI events to the state and believe that this bill should be reconsidered.

Thank you for the opportunity to comment on HB 756.