

MAR 10 2010

SENATE CONCURRENT RESOLUTION

REQUESTING THE STATE ATTORNEY GENERAL TO INVESTIGATE WHETHER
TRANSIENT ACCOMMODATIONS AND GENERAL EXCISE TAXES ON THE
INTERNET SALE OF HOTEL ROOM ACCOMMODATIONS ARE BEING
ASSESSED, COLLECTED, AND REMITTED TO THE STATE AND TO TAKE
APPROPRIATE LEGAL ACTION, AS NECESSARY.

1 WHEREAS, internet travel services, such as Expedia, Orbitz,
2 Priceline, Travelocity, and numerous others have become
3 increasingly popular by offering competitive rates and ease of
4 purchase for travelers worldwide; and

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6 WHEREAS, these services may include package rates for
7 travel, lodging, and other amenities, which travelers arrange
8 and pay for online, not at their destination; and

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10 WHEREAS, these sales, if conducted in the State or by
11 travel agents, would include the imposition of Transient
12 Accommodations Tax (TAT) and General Excise Tax (GET); and

13
14 WHEREAS, these TAT and GET revenues support not only the
15 activities of Hawaii's visitor industry, but provide critical
16 financial support to the four counties as well; and

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18 WHEREAS, as Hawaii struggles to respond to and rebound from
19 the current economic downturn, TAT and GET revenues are a vital
20 part of that response; and

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22 WHEREAS, it is unclear whether internet travel service
23 providers are collecting and remitting to the State, Hawaii's
24 TAT and GET; and

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26 WHEREAS, as the chief legal officer of the State, the
27 Attorney General is charged with the responsibility to uphold
28 and enforce the laws of the State; now, therefore,
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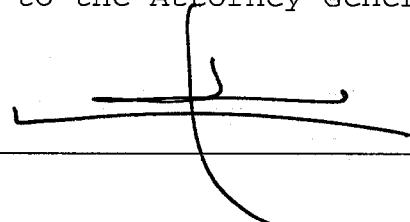
1 BE IT RESOLVED by the Senate of the Twenty-fifth
 2 Legislature of the State of Hawaii, Regular Session of 2010, the
 3 House of Representatives concurring, that the Attorney General
 4 is requested to investigate whether the TAT and GET on the
 5 internet sale of hotel room accommodations are being assessed,
 6 collected, and remitted to the State; and
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8 BE IT RESOLVED that if the Attorney General determines the
 9 legal action is warranted, than the Attorney General is
 10 requested to take immediate legal action to ensure the proper
 11 enforcement of the State's taxation laws; and
 12

13 BE IT FURTHER RESOLVED that the Attorney General report to
 14 the Legislature no later than twenty days prior to the convening
 15 of the Regular Session of 2011, on:
 16

- 17 (1) The amount of TAT and GET assessed, collected, and
 18 remitted for those internet sales in the previous two
 19 fiscal years;
- 20
- 21 (2) An estimate of the losses to the State for amounts not
 22 assessed, collected, and remitted in the most recent
 23 and current fiscal year; and
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- 25 (3) A description of the Attorney General's legal actions
 26 to remedy nonpayment of TAT and GET on those internet
 27 sales; and
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29 BE IT FURTHER RESOLVED that a certified copy of this
 30 Concurrent Resolution be transmitted to the Attorney General.
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OFFERED BY:  (P/K)