

STAND. COM. REP. NO.

198

Honolulu, Hawaii

Feb 12, 2009

RE: H.B. No. 1585  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Tourism, Culture, & International Affairs,  
to which was referred H.B. No. 1585 entitled:

"A BILL FOR AN ACT RELATING TO THE TAXATION OF ONLINE TRAVEL  
COMPANIES,"

begs leave to report as follows:

The purpose of this bill is to assess the Transient  
Accommodations Tax and General Excise Tax upon online travel  
companies that facilitate transient accommodations over the  
Internet.

Orbitz, Expedia, and Sabre opposed this bill. The Department  
of Taxation and a concerned individual offered comments.

Several members of your Committee raised concerns related to  
ongoing litigation and the United States Supreme Court case, *Quill  
Corp v. North Dakota (1992)*, which requires a nexus between the  
taxpayer and a state for purposes of tax collection. Another  
member noted that your Committee on Economic Revitalization,  
Business, and Military Affairs was referred bills relating to  
nexus and could appropriately take up the issue of nexus with  
regard to this measure.

HB1585 HD1 HSCR TCI HMS 2009-1939



Accordingly, your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

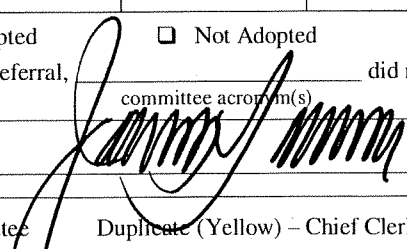
As affirmed by the record of votes of the members of your Committee on Tourism, Culture, & International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1585, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism, Culture,  
& International Affairs,

  
JOEY MANAHAN, Chair



**Record of Votes of the Committee on Tourism, Culture, & International Affairs**

Bill/Resolution No.: <b>HB 1585</b>	Committee Referral: <b>TCI, EBM, FIN</b>	Date: <b>2/9/09</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD)   <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TCI Members	Ayes	Ayes (WR)	Nays	Excused
1. MANAHAN, Joey (C)	✓			
2. TOKIOKA, James Kunane (VC)	✓			
3. BERG, Lyla B.		✓		
4. CHOY, Isaac W.	✓			
5. EVANS, Cindy				✓
6. McKELVEY, Angus L.K.				✓
7. <del>FAKAI, K. Mark</del>				
8. TSUJI, Clift	✓			
9. WAKAI, Glenn		✓		
10. WOOLEY, Jessica	✓			
11. MARUMOTO, Barbara C.		✓		
<b>TOTAL (11)</b>	<b>5</b>	<b>3</b>		<b>2</b>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____ 				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				

