

STAND. COM. REP. NO.

263

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1165

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1165 entitled:

"A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose of this measure is to repeal the sunset date on the general excise tax exemption on monies paid by timeshare operators and condominium submanagers for employee wages, salaries, payroll taxes, insurance premiums, and employee benefits.

Your Committee received testimony in support of this measure from Wyndham Worldwide, American Resort Development Association, Marriott Vacation Club International, Inc., and Outrigger Hotels. Your Committee received testimony on this measure with comments from the Department of Taxation and Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will result in no additional loss of revenue to the State, since it merely continues a tax exemption that is already in place. Your Committee also finds that this exemption levels the playing field with regard to tax treatment for similarly situated entities: operators of hotels, timeshares, and condotels. Therefore, the exemption for operators of timeshare and condotels should be made permanent.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to

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this report, your Committee is in accord with the intent and purpose of S.B. No. 1165 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 1165</b>	Committee Referral: <b>CPN, WAM</b>	Date: <b>02/12/09</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
HEMMINGS, Fred			✓	
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
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\*Only one measure per Record of Votes