

LATE

HB 1404



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THE SENATE
25th LEGISLATURE
REGULAR SESSION of 2009

COMMITTEE ON WAYS AND MEANS
Senator Donna M Kim, Chair

4/6/09

HB 1404, HD 1, SD 1
Relating to General Excise Tax

Chair Kim and Members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels, to offer our support of this bill.

HB 1404 makes permanent the current GET exemptions for monies received by timeshare operators and sub-operators for employee wages, salaries, payroll taxes, insurance premiums and benefits (retirement, vacation, sick pay and health benefits).

This bill will provide the same exemption currently extended to hotels, to operators and sub-operators of timeshares and hotels. The continuation of this exemption will especially help local companies, in these hard times.

Mahalo for considering my testimony and urge your positive support for this bill!

STARWOOD

VACATION OWNERSHIP

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April 6, 2009

To: Honorable Donna Mercado Kim, Chair
Honorable Shan S. Tsutsui, Vice Chair
Senate Committee on Ways & Means

Fr: Robin Suarez, Vice President & Associate General Counsel for Starwood
Vacation Ownership

Re: **HB 1404, HD1 SD 1 – RELATING TO GENERAL EXCISE TAX –
SUPPORT**
Committee on Ways and Means
Hawai`i State Capitol, Conference Room 211, 9:30 AM

Aloha Chair Kim, Vice Chair Tsutsui and Members of the Committee:

My name is Robin Suarez, Vice President & Associate General Counsel for Starwood Vacation Ownership, ("SVO"). I am testifying on behalf of SVO in support of HB 1404, HD1 SD1, Relating to General Excise Tax.

This bill makes the GET exemption amendments for timeshare operators and condominium sub-managers permanent which will encourage additional timeshare development and ensure that the cost to maintain existing Hawai`i timeshare projects remains reasonable and on par with other competitive markets.

Timeshare projects with their high and consistent rates of occupancy and customer satisfaction should not be discouraged, but seen as a vital part of Hawai`i's tourism industry. In addition to providing traditional resort operations jobs similar to hotel projects, timeshare projects add high skilled and high compensated sales and marketing jobs. As such, timeshare projects represent a valuable and diverse component of Hawai`i's important tourism market.

For these reasons, we respectfully request your favorable support of HB 1404, HD1 SD1.

As always, I thank you for the opportunity to share our views on this matter.

HB-1747 HD 1	TAXATION (increases income tax on high income earners)	Opposed See previous WAM testimony (March 19)	No technical comments	Gain of \$62.2 million per year for FY 2010 and FY 2011 and \$50.6 million per year for FY 2012 to FY 2016.	See previous WAM testimony (March 19)
HB 1739 HD 1	TAXATION (penalties and other admin amendments)	Support See previous WAM testimony on Proposed SD1 (March 24)	No technical comments	Gain of \$24.2 million in FY 2009-2010; \$25.3 million in FY 2010-2011; and \$26.4 million in FY 2011-2012.	
HB 142 HD 1	INTRA-STATE AVIATION FUEL (eliminates GET and use tax on FTZ sales)	Concerns	The Department opposes Section 1 because it is legally and factually inaccurate.	Assuming a current effective date, this legislation is estimated to result in a revenue loss of \$5 million per year.	
HB 1404 HD 1 SD 1	GENERAL EXCISE TAX (makes timeshare operator exemption permanent)	No position	No technical comments	If the exemption sunsets on December 31, 2009 as required by current law, an additional \$3.6 million per year would be collected.	

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