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LATE

**SENATE COMMITTEES ON TOURISM AND TRANSPORTATION,
INTERNATIONAL & INTERGOVERNMENTAL AFFAIRS
TESTIMONY REGARDING HB 2598 HD 1
RELATING TO TRANSIENT ACCOMMODATIONS TAX**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: MARCH 15, 2010

TIME: 1:15PM

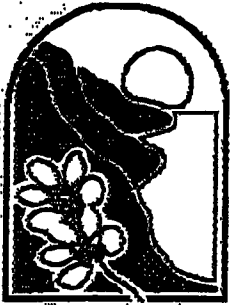
ROOM: 224

As amended, this measure caps the amount of transient accommodations tax that is deposited to the benefit of the counties. The maximum deposit amount is \$94,355,000.

The Department of Taxation (Department) **supports the intent** of this measure; however encourage this measure to **insert its original contents**, which is to direct all transient accommodations taxes to the general fund for three years.

As amended, this measure will result in the following revenue gains to the general fund—

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
\$ 5.8 m	\$ 11.2 m	\$ 16.8 m	\$ 22.5 m	\$ 28.2 m



KAUAI

*Chamber
of
Commerce*

March 12, 2010

FAX: Senate Sergeant-At-Arms Office: 1-800-586-6659

LATE

**Testimony to the Senate Committee on Tourism and Committee on Transportation,
International and Intergovernmental Affairs Joint Committee Hearing:
Monday, March 15, 2010 -- Conference Room 224, 1:15 p.m.**

Honorable Senators Clarence K. Nishihara, Chair, Brickwood Galuteria, Vice Chair,
Kalani J. English, Chair, Mike Gabbard, Vice Chair and Committee members:

RE: HOUSE BILL 2598 HD1: Relating to Transient Accommodations Tax

My name is Randall Francisco and I am President/CEO of the Kauai Chamber of
Commerce. The Chamber comprises of 410 members, 650+ representatives and 6000+
employees. 87% of the members are small businesses. The Chamber appreciates the
efforts being made by members of the Legislature in addressing the budget shortfall during
this tough economy. On behalf of the Chamber, I am writing to express support for
HB 2598, HD1. I had the opportunity to attend the House Finance Committee hearing and
Became even more aware of the impact of the TAT should the funds continue to decrease.

The Kauai Chamber of Commerce is in agreement with the Administration of
Mayor Bernard Carvalho and other County Mayors about the negative impact
and unintended consequences of the bill should it not be passed.

Our focus is to ask that you approve this bill in its current form which has taken
into consideration the comments of the testifiers and supporters in the House Finance
Committee prior to its crossing over to the Senate.

Unfortunately, Kauai has the highest rate of people who drown in the State of Hawaii.
On the Westside of Kauai, there are only 2 police officers responsible for responding
to calls in the area that stretches from Poipu to Mana/Kekaha. 60% of the County's
allocation is used for Public Safety. Another 17% for Parks & Beach Recreation.
These are some of the examples in which the County utilizes the TAT funds
in conformance with the original intent for which the TAT was established.

Thank you for the opportunity to submit testimony. If you have any questions, please
contact me at Kauai Chamber of Commerce, 245-7363. Mahalo Nui Loa and Aloha.

Randall Francisco
Kauai Chamber of Commerce