



American Resort Development Association
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February 1, 2010

TO: House Tourism, Culture, & International Affairs Committee
Representative Joey Manahan, Chair
Representative James Kunane Tokioka, Vice Chair

FROM: Ed Thompson
ARDA-Hawaii

DATE: Monday, February 1, 2010
Conference Room 312
8:45 a.m.

RE: HB 2783, RELATING TO GENERAL EXCISE TAX

Chair Manahan and Members of the Committee:

ARDA-Hawaii is the local chapter of the national timeshare trade association. Hawaii's timeshare industry currently accounts for ten percent of the State's lodging inventory with 7,700 timeshare units. Timeshare has had consistent occupancy rates, even during the current tough economic times. This has made our industry a vital partner and a diverse component of the visitor industry in Hawaii.

ARDA-Hawaii supports HB 2783. The amendments were designed to level the playing field with regards to operators and sub-operators of hotels and timeshares. This bill seeks to remove the sunset clause of Act 239, and make these provisions permanent.

Thank you very much for the opportunity to offer testimony in support of this measure.

TIMESHARE WITH ALOHA

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MEMORANDUM

TO: Representative Joey Manahan
Chair, Committee on Tourism, Culture, & International Affairs
Via Facsimile: 586-6271

FROM: Mihoko Ito

DATE: January 30, 2010

RE: H.B. 2783 – Relating to General Excise Tax
Hearing on Monday, February 1, 2010 at 8:45 a.m., Room 312

Dear Chair Manahan and Members of the Committee:

I am Mihoko Ito, testifying on behalf of Wyndham Worldwide. Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its portfolio of world-renowned brands. Wyndham Worldwide has substantial interests in Hawaii that include Wyndham Vacation Ownership, with its new resort at Waikiki Beach Walk.

We support H.B. 2783 which repeals the sunset provisions with respect to general excise tax exemptions and condominium submanagers, suboperators, and timeshare associations.

The exemption applies to certain sums that are transferred from the owner of the properties to the operator of the properties. Included in these sums are the amounts paid that reflect what is owed to employees in the way of salary and benefits. The exemption from tax on these amounts would either take away from the amounts available to be paid to employees both in salary and benefits and, in most cases, actually result in the owner paying sums directly to employees and other persons to whom these sums are due rather than having those sums paid by the operator here in Hawaii. It is to everyone's benefit that those sums be paid by the local operator to the local employees and local vendors. For this reason, the tax exemption was extended in 2007.

Because of the circumstances of the present situation, the passage of this legislation will make things much better for both employees and vendors as well as the owners and the local operators.

Thank you very much for the opportunity to submit testimony.



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January 30, 2010

The Honorable Joey Manahan, Chair

House Committee on Tourism, Culture and International Affairs
State Capitol, Room 312
Honolulu, Hawaii 96813

RE: H.B. 2783 Relating to General Excise Tax

HEARING: Monday, February 1, 2010 at 8:45 a.m.

Aloha Chair Manahan, Vice Chair Tokioka and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR **supports** H.B. 2783 to the extent that it makes permanent the reference to Chapter 514A, Hawai'i Revised Statutes, in HRS Section 237-24.3(3)(A) as amended in Section 1 of Act 239, Session Laws of Hawai'i 2007.

Effective July 1, 2006, a reference to HRS Chapter 514B was substituted for the reference to HRS Chapter 514A in HRS Section 237-24.3(3)(A) which exempts condominium maintenance fees from the GET. HRS Chapter 514B applies to condominium property regimes established after July 1, 2006. The reference to HRS Chapter 514A in Section 1 of Act 239 confirms the GET exemption for the maintenance fees of condominium property regimes established prior to July 1, 2006.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.

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