



THE SENATE  
25<sup>th</sup> LEGISLATURE  
REGULAR SESSION of 2010

COMMITTEE ON WAYS AND MEANS  
Senator Donna M Kim, Chair

3/31/10  
9:30 AM – Room 211

HB 2783 HD 2 SD 1  
Relating to General Excise Tax

Chair Kim & Members, my name is Max Sword, here on behalf of Outrigger Hotels to offer testimony in support of this measure.

The Hawaii Revised Statutes currently grants a tax exemption on employee's wages and benefits when a management company receives funds to pay its employees from the owner of a hotel property. This bill extends those same exemptions to time-shares & condo-tels.

The original HRS providing an exemption to hotels was enacted by the Legislature about 20 years ago, with the intention of protecting Hawaii employees when a hotel property is sold. This measure will offer the same protection of employees of time-shares and condo-tels.

This is also important to the industry, especially local management companies, because it levels the playing field when it comes to managing a timeshare or a condo tel. It allows the local companies to compete with the larger out-of state companies.

Mahalo for considering my testimony, and we urge your support for the number one industry in Hawaii and this bill.