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Testimony of
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on
H.B. 753
Relating to Transient Accommodations Tax

House Committee on Tourism, Culture, & International Affairs
Monday, February 2, 2009
8:00 a.m.
Conference Room 3129

The Hawai'i Tourism Authority (HTA) strongly supports H.B. 753, which proposes to repeal the limit on TAT revenues deposited into the Convention Center Enterprise Special Fund (CCESF), and increase the percentage of TAT revenues deposited into the Tourism Special Fund.

The HTA believes that the current \$33 million limit on deposits into the Convention Center Enterprise Special Fund is an insufficient amount to maintain this building at the level expected of a world-class facility. Major repairs such as replacement of the air conditioning system or similar projects can easily cost up to \$6 million. The Convention Center is at an age where major repairs has become more frequent.

HTA has always supported restoring the percentage of TAT revenues deposited into the Tourism Special Fund to 37.9 percent, and has submitted legislation proposing this. It is important to remember that in 1998, based on the recommendations of the Economic Revitalization Task Force, the visitor industry agreed to increase the TAT to 7.25 percent in exchange for a dedicated source of marketing funds. As a result, the HTA was established and a Tourism Special Fund was created with the understanding that a major purpose of this fund would be to support marketing. Increasing the revenues into the Tourism Special Fund to 37.9 percent will restore the original percentage established by law.

We strongly support H.B. 753 and urge its passage.

Thank you for the opportunity to testify on this measure.

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