



Late

Honorable J. Kalani English, Chair
Committee on Transportation, International
and Government Affairs
Hawaii State Senate

Hearing: February 11, 2009

Re: **SB 698** RELATING TO THE RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX

Chair English and Honorable Committee Members:

My name is Garrick Higuchi and I am the General Manager of Dollar Rent A Car and Thrifty Car Rental in Hawaii.

We support Catrala-Hawaii's opposition and position on this bill.

This is not a time to raise any taxes especially those relating to our u-drive industry and tourist related activities. Our industry is already suffering and we've had to lay off workers and cut back on expense like many tourist-related businesses. As you know a major u-drive company recently filed for bankruptcy. Raising taxes and fees and surcharges for rental vehicles only discourages travel to Hawaii and makes it more difficult for tourists to enjoy the wonders of Hawaii through use of their u-drive vehicles.

Further, the current temporary surcharge tax at \$3 daily is already higher than similar competing tourist destinations such as Florida which has a \$2 daily surcharge tax. It is critical that Hawaii not be publicized as a tourist destination that targets tourists with high fees and taxes.

Still further, as a public policy we do not believe it is fair or prudent to tax u-drive or tour vehicles for monies to be placed into the general fund.

Finally, the u-drive industry alone was singled out when the tax was temporarily raised to \$3 and the Hawaii Department of Transportation has yet failed to complete a study as to how to fairly generate necessary revenues for the highway fund. Per SB 2365 passed last session, the DOT was supposed to complete such a study and submit it to this Legislature prior to the start of 2009 Legislative session. This study to our knowledge has not been completed.

Please do not raise taxes as proposed by this bill. Thank you for allowing us to testify.

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