

STAND. COM. REP. NO. 923

Honolulu, Hawaii

March 4, 2011

RE: H.B. No. 809
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 809, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX,"

begs leave to report as follows:

The purpose of this bill, as received by your Committee, is to assist the State in addressing its fiscal needs by:

- (1) Temporarily increasing--from July 1, 2011, to June 30, 2015--the transient accommodations tax (TAT) rate assessed on the occupants of resort time share vacation units by an unspecified amount; and
- (2) Depositing the revenues collected from the increase into the general fund.

Prior to the hearing, your Committee circulated for consideration and received testimony on a Proposed House Draft 2 of H.B. No. 809. As proposed, the purpose of H.B. No. 809, H.D. 2, is to assist the State in addressing its fiscal needs by:

- (1) Temporarily increasing--from July 1, 2011, to June 30, 2015--the TAT rate assessed on the occupants of resort time share vacation units by two percent; and

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- (2) Depositing the revenues collected from the increase into the general fund.

The Proposed H.D. 2 would also take effect on July 1, 2011.

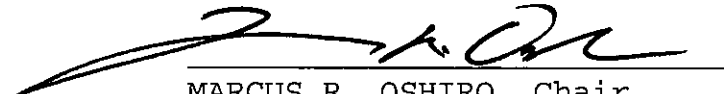
The Department of Taxation supported this bill. The Waikiki Improvement Association; Resort Owners' Coalition of the American Resort Development Association; American Resort Development Association-Hawaii; PAHIO Development, Inc.; Disney Vacation Club-Hawaii; RCI, LLC; Starwood Vacation Ownership; Ocean Resort Villas Vacation Owners Association; Hilton Grand Vacations; Wyndham Worldwide; Kaaanapali Ocean Resort Villas Owners Association; Marriott Vacation Club International; The Imperial Hawaii Resort; and numerous concerned individuals testified in opposition to this measure. The Department of Budget and Finance, Tax Foundation of Hawaii, and numerous concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Adopting the language contained in the proposed H.B. No. 809, H.D. 2;
- (2) Inserting a repeal date of June 30, 2015; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 809, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 809, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



