

STAND. COM. REP. NO.

792

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1324  
S.D. 2

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1324, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to make permanent the amount of \$3 a day as the rental motor vehicle surcharge tax. This measure also appropriates moneys from the state highway fund for the state highways program.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that without this measure, the rental motor vehicle surcharge tax will revert to \$2 per day after August 31, 2011. A reversion to this tax rate will result in a loss of about seven per cent of the total revenues of the fund, which will adversely impact the state highway system by reducing funding for necessary repairs and maintenance. Retaining the existing surcharge amount of \$3 per day is needed to maintain the revenue stream to the state highway fund.

Your Committee has amended this measure by:

- (1) Changing the surcharge tax to an unspecified amount; and



- (2) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1324, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1324, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,




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DAVID V. ICE, Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1324 SD1	CRN, WAM	2/24/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.				✓
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	11	0	1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes