

Honolulu, Hawaii

March 16, 2012

RE: S.B. No. 2947
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred S.B. No. 2947, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure as received by your Committee is to require that a report be submitted to the Department of Taxation for every authorized state tax credit or exemption related to economic development by the state agency administering the credit or exemption. This measure also requires the Department of Taxation to post the reports on its website.

For the purposes of a public hearing, your Committee circulated a proposed House Draft 1 that:

- (1) Establishes a monetary reward from the collected proceeds for whistleblowers whose information leads to a Department of Taxation administrative or judicial action;
- (2) Allows the Director of Taxation to appoint an administrative appeals officer to administer the expedited appeals and dispute resolution program;



- (3) Prohibits certain penalties from being added to tax underpayments on which other specified penalties are already imposed;
- (4) Requires all advertisements and solicitations for transient accommodations and all operator- or plan manager-maintained websites regarding transient accommodations to display the registration identification number or a website address to a website containing the number; and
- (5) Requires operators of transient accommodations who reside out-of-state or on an island other than the one on which the transient accommodations are located to include contact information for an agent who resides on the island on which the transient accommodations are located.

The Department of Business, Economic Development, and Tourism and Hawaii Innovation Alliance supported the measure as received by your Committee. The Hawaii Strategic Development Corporation and High Technology Development Corporation supported the intent of the measure as received by your Committee. The Tax Foundation of Hawaii provided comments on the measure as received by your Committee.

Aston Hotels & Resorts opposed the proposed draft. The Department of Taxation, Hawaii Association of REALTORS, and the Tax Foundation of Hawaii provided comments on the proposed draft.

Your Committee has amended this measure by adopting the proposed draft. Your Committee has further amended the proposed draft by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2947, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto



as S.B. No. 2947, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

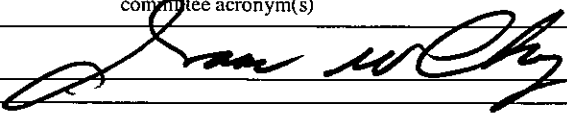
Proposed HD
Bill/Resolution No.: **SSCR (260B)** Committee Referral: **ERB, FIN** Date: **3/15/12**
~~SB 2947, SD 2~~

The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	X			
2. CHOY, Isaac W. (VC)	X			
3. AWANA, Karen L.	X			
4. BROWER, Tom	X			
5. EVANS, Cindy	X			
6. HASHEM, Mark J.	X			
7. NISHIMOTO, Scott Y.	X			
8. TOKIOKA, James Kunane	X			
9. TSUJI, Clift	X			
10. MARUMOTO, Barbara C.	X			
11. PINE, Kymerly Marcos	X			
TOTAL (11)	11	—	—	—

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: 

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