

NEIL ABERCROMBIE
Governor

MIKE MCCARTNEY
President and
Chief Executive Officer

Hawai'i Tourism Authority

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Testimony of
Mike McCartney
President and Chief Executive Officer
Hawai'i Tourism Authority
on
H.B. 2078
Relating to Taxation

House Committee on Tourism
Monday, January 30, 2012
10:00 a.m.
Conference Room 312

The Hawai'i Tourism Authority (HTA) opposes H.B. 2078, which would require all advertisements and solicitations for transient accommodations conspicuously display the registration identification number of each operator or plan manager.

If the objective of H.B. 2078 is to identify undocumented transient accommodations, it will be difficult for the Department of Taxation to monitor all advertisements and solicitations of the thousands of transient accommodations.

In 2005, the HTA contracted for an investigation into undocumented vacation rentals and bed and breakfast operations in Hawaii. The results of that investigation, where several thousand undocumented accommodations were identified, were presented to the Department of Taxation, the Department of Business, Economic Development and Tourism, and the counties to take administrative and enforcement actions necessary to ensure compliance with state laws and county ordinances. As such, if the objective of H.B. 2078 is to identify legal transient accommodations, the provisions of H.B. 2078 are not necessary. The Department of Taxation and the counties already have the information that the bill is asking for. It becomes a matter of manpower and funding to enforce the law.

Thank you for the opportunity to offer these comments.

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
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FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

To: The Honorable Tom Brower, Chair,
and Members of the House Committee on Tourism

Date: Monday, January 30, 2012
Time: 10:00 A.M.
Place: Conference Room 312, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. No. 2078, Relating to Taxation

The Department of Taxation (Department) supports this measure.

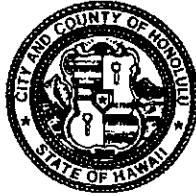
H.B. 2078 requires that all advertisements and solicitations for transient accommodations conspicuously display the registration identification number issued under Section 237D-4, Hawaii Revised Statutes.

The Department believes this measure as it will aid transient accommodations tax compliance.

Thank you for the opportunity to submit comments.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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PETER B. CARLISLE
MAYOR

DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

January 30, 2012

The Honorable Tom Brower, Chair
and Members of the Committee on Tourism
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Brower and Members:

Subject: House Bill No. 2078
Relating to Taxation

The Department of Planning and Permitting **supports** House Bill No. 2078, which requires that all advertisements and solicitations for transient accommodations conspicuously display the registration identification number.

Requiring that the registration identification number be conspicuously displayed adds another source of public information that can be used by State and City enforcement agencies in support of their arduous task of conducting regulatory enforcement. History has shown that regulating transient accommodation operations can be a difficult task. The display of the registration identification number, which is uniquely valid for a specific unit, will certify and confirm the use.

Please adopt House Bill No 1707. Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

DT:jmf
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COMMITTEE ON TOURISM

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NOTICE OF HEARING

DATE: Monday, January 30, 2012

TIME: 10:00 a.m.

PLACE: Conference Room 312

State Capitol

415 South Beretania Street

Aloha Chair Brower and Committee Members:

I am writing to support HB 1707 and HB 2078:

HB1707

RELATING TO TRANSIENT ACCOMMODATIONS.

This bill will provide visitors and residents recourse if there are problems with the unit. This should apply **only** to non-resident owners of property located in Hawaii. Those owners who reside in the state of Hawaii should be exempt. They are already available if there are any issues with the property for visitors and residents to contact.

HB2078

RELATING TO TAXATION.

By having those offering transient vacation rental units place registration numbers in their ads – it will be easier for the State Tax Dept to ensure all taxes due to the state are being collected. This is of high importance to ensure that visitors and owners pay their fair share into the system in order to maintain our infrastructure. Especially during these times of economic hardship.

Mahalo for your time and consideration.

Kathleen M. Pahinui
Oahu, North Shore, Waialua

Testimony for TOU 1/30/2012 10:00:00 AM HB2078

Conference room: 312

Testifier position: Support

Testifier will be present: No

Submitted by: Boyd Ready

Organization: Individual

E-mail: boydready@hawaii.rr.com

Submitted on: 1/29/2012

Comments: