

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair
House Committee on Finance
State Capitol, Honolulu, Hawaii 96813

**RE: SB3017 SD2, Relating to the Transient Accommodations Tax - SUPPORT
Conference Room 308, April 2, 2012, 2:00 PM (Agenda #1)**

Aloha Chair Oshiro, Vice Chair Lee, and Members of the Committee:

My name is Keith Vieira, senior vice president of operations for Starwood Hotels and Resorts ("Starwood") in Hawai'i and in French Polynesia.

Mahalo for the opportunity to offer testimony in support of SB3017 SD2, Relating to the Transient Accommodations Tax.

Starwood supports this bill intended to clarify that the daily \$10 tax on a transient accommodation furnished on a complimentary or gratuitous basis includes transient accommodations furnished without tangible industry development or promotional purposes, but does not include transient accommodations furnished as part of a tourism industry promotional or marketing activity.

Our hotels in Hawai'i compete with vacation destinations worldwide, complementary and budget-priced rooms are marketed for various reasons from promotions to reach travel writers and visitor industry marketers to providing affordable "stay-cations" for our kama'āina, and for local business travelers.

Complementary rooms are used by the hospitality industry to attract meeting planners to bring events to the state, to educate and encourage travel opportunities for book Hawai'i vacations for clients, and to give travel writers the opportunity to publish and produce stories about Hawai'i as a meeting and vacation destination. Complementary rooms are also often used by the state to attract film crews to the islands.

While our concern remains that the imposition of any new taxes and fees on the visitor industry would not result in the generation of more revenues for the state as intended and may have perverse consequences by causing a visitor to choose another less costly destination than Hawai'i, this bill is a step in the right direction to encourage marketing for our state.

For these reasons, we urge the committee's support for this bill.

Sincerely,

Keith Vieira
Senior Vice President of Operations
Starwood Hotels and Resorts - Hawai'i and French Polynesia