

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1194  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1194, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to adjust the transient accommodations tax rate and the disposition of the transient accommodations tax revenues.

More specifically, this measure:

- (1) Makes permanent the transient accommodations tax rate of 9.25 per cent;
- (2) Eliminates the daily transient accommodations tax for complimentary accommodations;
- (3) Reduces the percentages of transient accommodations tax revenues distributed to the convention center enterprise special fund, the tourism special fund, and the counties; and
- (4) Repeals the temporary ceiling of \$71,000,000 in transient accommodations tax revenues per fiscal year distributed to the tourism special fund until June 30, 2015.



Your Committee received written comments in support of this measure from the Department of Taxation and Starwood Hotels and Resorts.

Your Committee received written comments in opposition to this measure from the Office of the Mayor of the County of Hawaii, the Office of the Mayor of the County of Maui, the Department of Budget and Fiscal Services of the City and County of Honolulu, the Council Chair of the County Council of Maui, three council members of the County Council of Hawaii, the Hawaii Council of Mayors, the Hawaii State Association of Counties, and one individual.

Your Committee received written comments on this measure from the Department of Budget and Finance, the Office of the Mayor of the City and County of Honolulu, and the Tax Foundation of Hawaii.

Your Committee finds that the increased revenues from the present tax rate will continue to effectively fund the activities of the Hawaii Tourism Authority, which markets the State world-wide and strengthens the State's tourism industry.

Your Committee has amended this measure by:

- (1) Retaining the temporary ceiling on transient accommodations tax revenues per fiscal year distributed to the tourism special fund but changing the amount of the ceiling to an unspecified figure;
- (2) Changing to an unspecified amount, the total amount of the transient accommodations tax revenues, and the percentages of the total amount of the transient accommodations tax revenues from the tourism special fund to be deposited into the state parks special fund and the special land and development fund; and
- (3) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the measure

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. 1194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1194, S.D. 2.



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

*David Y. Ige*

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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

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

Bill / Resolution No.:* SB1194, SD1	Committee Referral: THA, WAM	Date: 2-27-13		
<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	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.				✓
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.		✓		
THIELEN, Laura H.		✓		
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	7 <sup>mk</sup>	4	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<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