

HB1339

Submitted on: 2/6/2013

Testimony for TOU on Feb 11, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Mayor Alan Arakawa	Maui County Mayor's Office	Oppose	No

Comments:

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Neil Abercrombie
Governor

Mike McCartney
President and Chief Executive Officer

**Testimony of
Mike McCartney
President and Chief Executive Officer
Hawai'i Tourism Authority
on
H.B. 1339
Relating to the Transient Accommodations Tax**

House Committee on Tourism
Monday, February 11, 2013
9:30 a.m.
Conference Room 312

The Hawai'i Tourism Authority (HTA) strongly supports H.B. 1339, which proposes to repeal the \$10 daily transient accommodations tax on accommodations furnished on a complimentary or gratuitous basis.

“Transient accommodations furnished on a complimentary or gratuitous basis,” are an important part of the visitor industry’s promotional or marketing program, such as familiarization or FAM for travel agents tours, promotions to meeting and event planners, and the marketing program of the respective visitor industry properties. We understand that the industry, rather than charge tax, has been paying that tax on accommodations provided as part of their promotional or marketing program. This will help the industry by removing a cost from an important part of its promotion and marketing programs imposed by the \$10 tax.

Complimentary rooms are estimated to be a very small part of the rooms occupied annually.

Thank you for the opportunity to comment on H.B. 1339.

starwood

Hotels and
Resorts

2155 kalakaua avenue, suite 300
honolulu, hi 96815
united states

February 11, 2013

To: Honorable Tom Brower, Chair
Honorable Romy M. Cachola, Vice Chair
House Committee on Tourism
State Capitol, Honolulu, Hawaii 96813

RE: **HB 1339 - Relating to the Transient Accommodations Tax - Support**
Conference Room 312, 9:30 am

Aloha Chair Brower, Vice Chair Cachola, 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 HB 1339, which would repeal the daily \$10 tax on a transient accommodation furnished on a complimentary or gratuitous basis.

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.

We have expressed concerns 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.

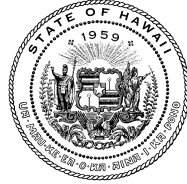
For these reasons, we urge the committee’s support for this bill.

Sincerely,

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

NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
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FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

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

Date: Monday, February 11, 2013
Time: 9:30 A.M.
Place: Conference Room 312, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. 1339, Relating to Transient Accommodations Tax.

The Department supports H.B. 1339 and offers the following information and comments for your consideration.

H.B. 1339 repeals the complimentary room tax of \$10 per day under section 237D-2(c) of the Hawaii Revised Statutes. The Department supports repealing the complimentary room tax because it is difficult to administer and generates little revenue.

Thank you for the opportunity to provide testimony



Maui Hotel & Lodging
ASSOCIATION

Testimony of
Lisa H. Paulson
Executive Director
Maui Hotel & Lodging Association
on
HB1339
Relating To Transient Accommodations Tax

COMMITTEE ON TOURISM
Monday, February 11, 2013, 9:30am
Room 312

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes over 140 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA's membership employs over 20,000 local residents.

MHLA supports HB1339 which repeals the \$10 daily transient accommodations tax collected each month for transient accommodations furnished on a complimentary or gratuitous basis. Effective July 1, 2013.

We strongly support the elimination of the \$10 comp room tax. This type of tax is inappropriate since hotels are often using comp rooms to stimulate future business from meeting planners, travel agents and other industry professionals.

We urge you to support HB1339.

Thank you for the opportunity to testify.



CLASSIC VACATIONS™

Testimony of
David Hu
President
Classic Vacations
on
HB 1339
Relating to Transient Accommodations Tax

COMMITTEE ON TOURISM AND HAWAIIAN AFFAIRS
COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS
February 11, 2013, 9AM

As President of Classic Vacations, I support HB 1339, which repeals the daily \$10 tax on transient accommodations furnished on a complimentary or gratuitous basis.

Hawaii as a destination competes with the 12 other major outbound destinations that my company sells. Having the ability to send many of my employees and people associated with the travel industry on a regular basis enhances our ability to sell the destination. Any additional costs levied to increase interest in the destination just decreases its competitiveness.

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.

We urge you to repeal HB 1339

Thank you for the opportunity to testify.

David Hu