



HOUSE OF REPRESENTATIVES  
THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2012

COMMITTEE ON TOURISM  
Representative Tom Brower, Chair

2/11/12  
Rm. 312, 9:30 AM

HB 334  
Relating to General Excise Tax

Chair Brower and Members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels Hawaii in support of this bill.

HB 334 makes permanent the current GET exemptions for monies received by timeshare operators and sub-operators for employee wages, salaries, payroll taxes, insurance premiums and benefits (retirement, vacation, sick pay and health benefits).

The Hawaii Revised Statutes currently grants a tax exemption on employee's wages and benefits when a management company receives funds to pay its employees from the owner of a hotel property. This bill extends those same exemptions to time-shares & condo-tels.

The original HRS providing an exemption to hotels was enacted by the Legislature about 20 years ago, with the intention of protecting Hawaii employees when a hotel property is sold. This measure will offer the same protection of employees of time-shares and condo-tels.

This is also important to the industry, especially local management companies, because it levels the playing field when it comes to managing a timeshare or a condo tel. It allows the local companies to compete with the larger out-of state companies.

We urge your favorable disposition of this bill and thank you for allowing me to testify.