

SB359

Submitted on: 2/8/2013

Testimony for THA/PSM on Feb 8, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Beverly Gannon	Bev Gannon Restaurants	Oppose	No

Comments: Please do not pass this tax increase. Get out into the community and see how difficult it is becoming for businesses to stay in business. The increasing costs are staggering!!!! And the double and triple taxation with our excise tax is absolutely horrible!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



CLASSIC VACATIONS*

Testimony of
David Hu
President
Classic Vacations
on
SB359
Relating to Taxation

COMMITTEE ON TOURISM AND HAWAIIAN AFFAIRS
COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS
Friday, February 8, 2013, 2:45 pm
Room 224

As President of Classic Vacations, I oppose SB539 which repeals the distribution of transit accommodations tax revenues to the counties and authorizes a county to ordain a 1% surcharge on state general excise or use tax.

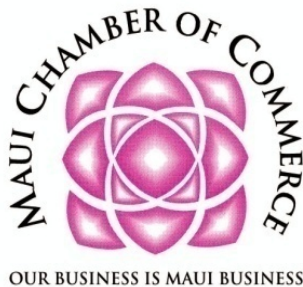
Our Hawaii customers already pay one of the heftiest tax rates for leisure vacation destinations. With the combination of high airfares, increasing room rates and continually high tax rates, our customers are feeling that Hawaii as a destination is already overpriced. Adding an additional tax burden on top of the existing cost would only exacerbate the situation.

Our customers are primarily individual travelers who pay for their own expenses for these leisure activities. They are constantly evaluating the various different destinations not just on the attributes of the destination but a lot of it based on value. Any incremental burden on the overall cost of a vacation will harm Hawaii's ability to compete in the cost vs. value equation.

We urge you to oppose SB359

Thank you for the opportunity to testify.

David Hu



Testimony to the Committees on Tourism and Hawaiian Affairs and
Public Safety, Intergovernmental and Military Affairs Committee
State Capitol, Conference Room 224 at 2:55pm
February 8, 2013

RE: OPPOSE SB359 RELATING TO TAXATION

Dear Chairs Galuteria and Espero, Vice Chairs Keith-Agaran and Baker, and Committee Members:

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce. I am writing on behalf of our organization to Oppose SB359 which proposes to repeal the distribution of transit accommodations tax revenues to the counties and authorizes a county to ordain a 1% surcharge on state general excise or use tax.

As the visitor industry is our number one industry, every business and resident in Hawaii is dependent upon this industry, directly or indirectly, whether they recognize it or not. That said, our members well understand the importance of the visitor industry to the all businesses in Maui and our community's economic health and well being. Given this, we stand with the industry in opposing measures that they and we feel will hurt the industry, such as SB359.

The industry is already heavily burdened with a high Transient Accommodations Tax (TAT) which was increased by Act 61, SLH 2009 from 7.25% to 8.25% between 7/1/09 and 6/30/10 and to 9.25% between 7/1/10 to 6/30/15, with the proceeds attributable to the increase used to shore up the State's general fund. This was done despite visitor industry concerns and was promised to be a temporary measure with a sunset provision built into the law. Now, some lawmakers are seeking break that promise, or worse, further increase the TAT to 11.25% which is unconscionable. Guests and residents are already paying a combined rate of 13.41% tax on Maui when the industry is competing against many other regions who are actively working to take away for Hawaii's share of the market. Further, money spent by visitors in taxes takes away from dollars spent with local businesses. Therefore we oppose any visitor tax increase.

However, SB359 will not only harm the visitor industry, it will injure all businesses and residents where counties elect to impose the 1% surcharge. Our state's general excise tax (GET) is a regressive tax that is multiplied many times over and we strongly oppose any GET increase or escalation due to tacking on an additional surcharge. Hawaii is still among the least business-friendly places to do business in the nation due to our high costs and regulatory environment and our GET is recognized as hitting those least able to pay hardest.

Therefore, we ask the committee hold SB359 in committee and not allow it to advance further.

Sincerely,

Pamela Tumpap
President