

STAND. COM. REP. NO. 3414

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 1900
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1900, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TAXATION OF DESTINATION CLUBS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the transient accommodations tax with regard to destination clubs.

More specifically, this measure:

- (1) Establishes that destination clubs shall be taxed at the same rate as resort time share vacation units; and
- (2) Requires destination club membership plan managers to register with the Department of Taxation and maintain certain records.

Your Committee received written comments in support of this measure from Exclusive Resorts. Written comments in opposition were received from the Department of Taxation. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that destination clubs own various properties in multiple states or countries. In exchange for membership dues, these clubs provide their members with the right to use or occupy the destination club's facilities in various

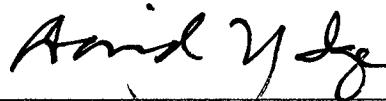
HB1900 SD1 SSCR LRB 14-2382.doc



locations. However, destination club membership does not confer an ownership interest in the destination club's facilities. Your Committee further finds that destination clubs are presently subject to the transient accommodations tax, which is codified as chapter 237D, Hawaii Revised Statutes. Your Committee believes that this measure provides clarification on how the transient accommodations tax is to be imposed on destination clubs.

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 H.B. No. 1900, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

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



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.:*	Committee Referral:	Date:		
HB 1900 HD1 S01	TSM, WAM	3-28-14		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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			✓	
	11	0	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes