

STAND. COM. REP. NO.

815

Honolulu, Hawaii

March 1, 2013

RE: H.B. No. 334

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 334
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to allow for consistent and
uniform application of the tax law for taxpayers in the
hospitality industry. Specifically, this bill:

- (1) Makes permanent the provision that allows submanagers
the same General Excise Tax exemption allowed to
managers or board of directors of associations of
apartment owners or nonprofit homeowners or community
associations for amounts received in reimbursement of
sums paid for common expenses; and
- (2) Makes permanent the provision that allows operators and
suboperators of hotels a General Excise Tax exemption
for amounts received from the operator or owner of the
hotel or a timeshare association, as applicable, for
disbursement for employee wages, salaries, payroll
taxes, insurance premiums, and benefits.

The Hawaii Tourism Authority, Outrigger Hotels Hawaii, Hawaii
Association of REALTORS, and Wyndham Vacation Ownership supported
this measure. The Department of Taxation and Tax Foundation of
Hawaii offered comments on this measure.

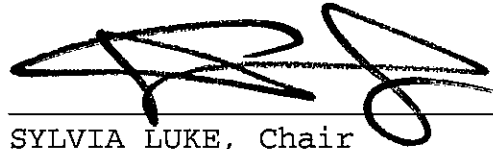
HB334 HD1 HSCR FIN HMS 2013-2290



Your Committee has amended this measure by changing its effective date to July 1, 2030, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 334, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 334, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



