

STAND. COM. REP. NO.

421

Honolulu, Hawaii

February 14, 2013

RE: H.B. No. 963
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 Tourism, to which was referred H.B. No. 963
entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

begs leave to report as follows:

The purpose of this measure is to amend provisions related to
the collection and allocation of the Transient Accommodations Tax
by:

- (1) Making permanent the current Transient Accommodations
Tax rate of 9.25 percent;
- (2) Repealing the \$10 daily Transient Accommodations Tax
levied on transient accommodations furnished on a
complimentary or gratuitous basis;
- (3) Adjusting the allocation of revenues to the Convention
Center Enterprise Special Fund, Tourism Special Fund,
and the counties; and
- (4) Making permanent the limits on deposits into the Tourism
Special Fund and amounts transferred to the counties.

The Department of Taxation supported this measure. The ILWU
Local 142 and Hawaii Tourism Authority supported the measure with
amendments. The Chamber of Commerce of Hawaii, Maui Hotel and
Lodging Association, Hawaii Lodging and Tourism Association,

HB963 HD1 HSCR TOU HMS 2013-2009



Hawai'i Council of Mayors, Maui Chamber of Commerce, Department of Finance of the County of Kauai, and several members of the Maui County Council opposed this measure. The City and County of Honolulu, Waikiki Improvement Association, and Tax Foundation of Hawaii offered comments on the measure.

Your Committee has amended this measure by:

- (1) Repealing the \$71,000,000 limit on deposits into the Tourism Special Fund and amending the percentage of revenues allocated to that special fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 963, H.D. 1, and be referred to the Committee on Finance.

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



TOM BROWER, Chair



