

Honolulu, Hawaii  
February 11, 2016

RE: H.B. No. 1584  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1584 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to promote and encourage the financial sustainability of the counties by authorizing each county to levy, assess, and collect a monthly transient accommodations tax surcharge at a rate to be determined by county ordinance.

The Chamber of Commerce Hawaii, American Resort Development Association Hawaii, Wyndham Vacation Ownership, and Outrigger Hotels and Resorts opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual offered comments on the measure.

Your Committee has amended this measure by:

- (1) Authorizing the counties to impose a monthly transient accommodations tax surcharge on the fair market rental value of resort time share vacation units;
- (2) Requiring the counties to adopt the same transient accommodations tax surcharge rate as the State's transient accommodations tax rate as follows: 9.25 per cent for transient accommodations and 8.25 per cent for



resort time share vacation units in 2016 and increasing to 9.25 per cent starting January 1, 2017;

- (3) Requiring the counties to prescribe the necessary forms to report and remit the surcharge to the counties; and
- (4) Changing the effective date to July 1, 2120, to promote further discussion.

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. 1584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 1, and be referred to your Committee on Finance.

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



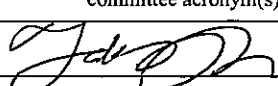
TOM BROWER, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

**HSCR 218-16**

**Record of Votes of the Committee on Tourism**

Bill/Resolution No.: <i>HB 1584</i>	Committee Referral: <i>TOU, FIN</i>	Date: <i>2/3/2016</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	✓			
2. OHNO, Takashi (VC)		✓		
3. CACHOLA, Romy M.		✓		
4. CHOY, Isaac W.	✓			
5. DECOITE, Lynn		✓		
6. ITO, Ken				✓
7. KAWAKAMI, Derek S.K.		✓		
8. KONG, Sam Satoru		✓		
9. ONISHI, Richard H.K.		✓		
10. TOKIOKA, James Kunane	✓			
11. TSUJI, Clift		✓		
12. WOODSON, Justin H.				✓
13. MATSUMOTO, Lauren Kealohilani		✓		
14. WARD, Gene			✓	
<b>TOTAL (14)</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ <div style="text-align: center; font-size: 1.5em; font-family: cursive;">  </div>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				