

STAND. COM. REP. NO.

3069

Honolulu, Hawaii

MAR 24 2016

RE: H.B. No. 1850
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Tourism and International Affairs and
Commerce, Consumer Protection, and Health, to which was referred
H.B. No. 1850, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to allow a
transient accommodations broker to register to act as a tax
collection agent with respect to transient accommodations taxes
and general excise taxes for its operators and plan managers.

Your Committees received testimony in support of this measure
from the Department of Taxation; Airbnb; Outrigger Hotels and
Resorts; Faith Action for Community Equity; Rocky Point
Properties, LLC; and numerous individuals. Your Committees
received testimony in opposition to this measure from the
Department of Planning and Permitting of the City and County of
Honolulu, Planning Department of the County of Kauai, Hawai'i
Appleseed Center for Law and Economic Justice, Kailua Neighborhood
Board No. 31, Keep It Kailua, Rentals by Owner Awareness
Association, Save O'ahu's Neighborhoods, UNITE HERE Local 5, Hawaii
Lodging & Tourism Association, and numerous individuals. Your
Committees received comments on this measure from Tax Foundation
of Hawaii, Office of Hawaiian Affairs, and one individual.

Your Committees find that allowing a private person to act as
a tax collection agent is likely to ease the burden of collecting

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taxes. As an example, section 237-9, Hawaii Revised Statutes, allows a person engaged in network marketing, multi-level marketing, or other similar business to enter into an agreement with the Department of Taxation to act as a tax collection agent on behalf of its direct sellers. Your Committees find that similarly allowing a transient accommodations broker to act as a tax collection agent on behalf of providers of transient accommodations that utilize the services of the transient accommodations broker will facilitate the collection of transient accommodations taxes and general excise taxes.

Your Committees have amended this measure by ensuring that the subject property is in compliance with land use laws by:

- (1) Requiring the transient accommodations broker, prior to placing an advertisement for a property, to notify the operator or plan manager that the subject property is required to be in compliance with applicable land use laws; and
- (2) Requiring the operator or plan manager to attest that the subject property is in compliance with applicable land use laws.

Your Committees request your Committee on Ways and Means to consider the testimony of the Department of Taxation regarding the need for an extension of time in order to make forms available.

As affirmed by the records of votes of the members of your Committees on Tourism and International Affairs and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1850, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1850, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Tourism and
International Affairs and
Commerce, Consumer Protection,
and Health,



ROSALYN H. BAKER, Chair

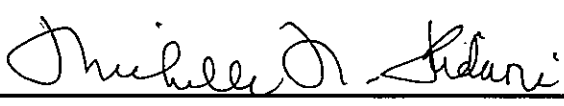


J. KALANI ENGLISH, Majority Leader



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1850 HD1	TSI/CPH, WAM	3-21-16		
<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 type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.				/
SLOM, Sam	/			
TOTAL	6			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes