

STAND. COM. REP. NO.

2371

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 2693  
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  
S.B. No. 2693 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 transient  
accommodations brokers to register as tax collection agents to  
collect and remit general excise and transient accommodations  
taxes on behalf of operators and plan managers using their  
services.

Your Committees received testimony in support of this measure  
from the Department of Taxation, Airbnb, Hawaii Lodging & Tourism  
Association, Rental By Owner Awareness Association, and numerous  
individuals. Your Committees received testimony in opposition to  
this measure from Unite Here Local 5. Your Committees received  
comments on this measure from the County of Kauai Office of the  
Prosecuting Attorney, County of Kauai Department of Planning, 17  
Palms Kauai, and Tax Foundation of Hawaii.

Your Committees find that allowing a private person to act as  
a tax collection agent is likely to ease the burden of collecting  
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 may facilitate the collection of transient accommodations taxes and general excise taxes.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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 S.B. No. 2693, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2693, 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:		
SB 2693	TSI/CPH, WAM	2-11-16		
<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	/			
<b>TOTAL</b>	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