

Honolulu, Hawaii

**FEB 09 2015**RE: S.B. No. 536  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Tourism and International Affairs, to which was referred S.B. No. 536 entitled:

"A BILL FOR AN ACT RELATING TO TOURISM STIMULUS INITIATIVES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an income tax credit for hotel construction and renovation for taxable years beginning after December 31, 2014, and ending on December 31, 2019.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, Hawaii Lodging and Tourism Association, Wyndham Vacation Ownership, and Outrigger Hotels Hawaii. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's travel and tourism industry must continue to refresh its product offering to support and attract new and repeat travelers, compete with other global destinations, and distinguish Hawaii as a unique travel and tourist destination; Hawaii cannot continue to rely on aging hotel and resort infrastructure and hope for the best. Traditional financing has failed to generate new construction and renovation work, and jobs are lacking. Therefore, your Committee finds that a hotel construction and renovation tax credit will provide an economic stimulus to benefit Hawaii's tourism industry.



Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 536, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism and  
International Affairs,

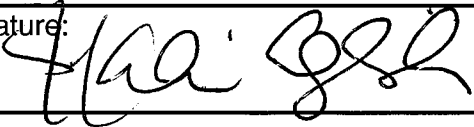


GILBERT KAHELE, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Tourism and International Affairs**  
**TSI**

Bill / Resolution No.:* <b>SB 536</b>	Committee Referral: <b>TSI, WAM</b>	Date: <b>2/4/15</b>		
<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
KAHELE, Gilbert (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
TANIGUCHI, Brian T.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes