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Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 10, 2016

TO: Honorable J. Kalani English, Chair
Senate Committee on Tourism and International Affairs

Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection and Health

FROM: Stacy Helm Crivello 
Councilmember

DATE: February 10, 2016

SUBJECT: **SB 2693, RELATING TO TAXATION**

I **support** SB 2693 for the reasons cited in testimony submitted by the Maui County Council Chair, and urge you to **support** this measure.

Bernard P. Carvalho, Jr.
Mayor



Michael A. Dahilig
Director of Planning

Nadine K. Nakamura
Managing Director

Ka'āina S. Hull
Deputy Director of Planning

PLANNING DEPARTMENT
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite A-473, Līhu'e, Hawai'i 96766

**Testimony before the Senate Committees on Tourism and International Affairs
and Commerce, Consumer Protection and Health
SENATE BILL 2693 Relating to Taxation**

February 10, 2016 at 2:45 pm
Senate Conference Room 225

By Michael A. Dahilig
Director of Planning, County of Kaua'i

Honorable Members of the Committees:

On behalf of the County of Kaua'i, I offer testimony with **CONCERNS** and would **OPPOSE** the measure if certain provisions remain in the bill.

We understand the need to more efficiently and tightly capture taxes from those who fail to pay them. However, this bill, if passed as is, would potentially further companies like VRBO.com and AirBnB to help to facilitate illegal usage contrary to county zoning laws rather than holding them responsible as business partner.

The County of Kaua'i has very strict zoning laws related to transient usage given the wholesale gentrification caused by the "vacation renting" of homes meant for only residential use. As our Department has attempted to enforce these laws to preserve our rural residential communities, a common defense posed by these operators is, "I'm legal because I have paid TAT."

Having these private operators help collect taxes but not be held liable for their role in perpetuating violations of county zoning laws would only lead to further proliferation of resort usage in communities meant for Hawai'i's residents. Contrary to what has been pitched by many who wish to short-term rent out a room or a unit, this activity has actually created the reverse effect by upping residential home values and pushing affordable long-term renters out of the market.

We ask at a minimum that the committees strike paragraph "j" in Section 2, and paragraph "i" in Section 3 of the bill. We would also suggest further that if these private collectors are in fact advertising on behalf of a renter, that language be added in the bill so they can actually be held civilly liable for helping facilitate violations of County ordinances related to transient usage.

We respectfully request the committee **AMEND** the measure as stated above. Mahalo for your consideration.

TEL (808) 241-4050 FAX (808) 241-6699

An Equal Opportunity Employer

From: [SaveOahu's Neighborhoods](#)
To: [TSI Testimony](#)
Subject: Support Bill SB 2693 and help us pay our fair share of taxes
Date: Tuesday, February 09, 2016 10:01:28 PM

Dear Vice Chair English, Chair Baker and members of the committees,

Bill SB 2693

Hearing date: 2/10/2016, 2:45 p.m., Room 225

As a Hawaiian resident, voter, and member of the home sharing community, I wanted to let you know why I support sensible rules for short term rentals and am hopeful for the passing of Bill SB 2693.

Throughout Hawaii, Airbnb is helping families make ends meet. Home sharing helps take what is typically people's greatest expense – the cost of housing – and turns it into a way to generate helpful supplemental income. This keeps many people in the homes and the neighborhoods that they love.

Bill SB 2693 would benefit the home sharing community because it would relieve individual hosts of figuring out complicated and burdensome tax regulations and allow Airbnb to collect and remit Transient Accommodations Tax (TAT) and General Excise Tax (GET) on behalf of our community.

Please show that you support your constituents and our voices and vote yes on Bill SB 2693.

Thank you so much.

Sincerely,

SaveOahu's Neighborhoods

6541-87 kam hwy
kaneohe, HI 96744

808 555-5555



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

Testimony of

Mufi Hannemann
President and CEO
Hawai'i Lodging & Tourism Association

Committees on
Tourism and International Affairs
Commerce, Consumer Protection, and Health

Senate Bill 2693: Relating to Taxation

Chair English, Chair Baker, and committee members:

The Hawai'i Lodging & Tourism Association supports the intent of Senate Bill 2693, which proposes to allow transient accommodations brokers to register as tax collection agents to collect and remit general excise and transient accommodations taxes.

It is the HLTA's goal to establish a level playing field for all visitor accommodations, from the traditional hospitality businesses to the alternative accommodations offered online.

There are more than 25,000 alternative accommodations in the Hawaiian Islands competing with hotels, resorts, timeshares, and bed-and-breakfasts, except that the majority of them are most likely avoiding our 9.25 percent transient accommodations and general excise taxes. Rather than outlaw these transient vacation units, we believe the state and county governments should collaborate on collecting the millions of dollars in taxes now being avoided. This initiative is the HLTA's top legislative priority, and Senate Bill 2693 is a major step forward in that direction.

We also support the Department of Taxation's modernization project that will identify non-compliant TVUs and collect the taxes owed. We hope that the anonymity provided alternative accommodations in this legislation will not affect the capability of the Tax Department to identify those operators who are not in compliance.

Mahalo.



Activities & Attractions Association of Hawaii
PO Box 598, Makawao, Hawaii 96768
(808)871-7947 Main (808)877-3104 Fax

Testimony to the
COMMITTEE ON TOURISM AND INTERNATIONAL AFFAIRS
Senator J. Kalani English, Vice Chair

Wednesday, February 10, 2016, 2:50 pm
Conference Room 225

RE: Support SB2673 RELATING TO TRAVEL AGENCIES

Aloha Vice Chair Senator J. Kalani English & Members of the committee;

Mahalo for this opportunity to testify, my name is Toni Marie Davis. For the last 18 years it has been my honor to serve the Activity & Attraction industry of Hawaii through my position as the Executive Director of A3H (Activities & Attractions Association of Hawaii). A3H represents nearly 200 businesses statewide. Our members range in size from very large (over 300 employees) to very small (1-2 employees). **A3H SUPPORTS SB2673 as written.**

HRS468L addresses the role and requirements of a licensed Travel Agent in the state of Hawaii. This chapter involves consumer protection as it relates to the sale of Air, Room, Car, Transfers and baggage services. Over time, the role of a Hawaii Travel Agent has expanded to include booking the many fun things to do for inbound visitors. There is a requirement for obtaining an AD license when booking Hawaii's Activities & Attractions.

HRS468M is a chapter specifically addressing the relationship between the Activity Desks and Activity Providers. This chapter provides checks and balances regarding this unique situation where money is collected from the consumer and disbursed following services being rendered. The assurances in HRS468M protect the consumer and the Activity Provider. These same protections are not covered in HRS468L, therefore if a TAR licensed entity sells Activity Provider products as defined in HRS468M, they should also be required to obtain an AD license.

Sincerely,

Toni Marie Davis
Executive Director

From: mailinglist@capitol.hawaii.gov
To: [TSI Testimony](#)
Cc: sailingdutchboy@gmail.com
Subject: Submitted testimony for SB2693 on Feb 10, 2016 14:45PM
Date: Tuesday, February 09, 2016 11:08:19 PM

SB2693

Submitted on: 2/9/2016

Testimony for TSI/CPH on Feb 10, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Frans Simon van Leeuwen	Individual	Support	No

Comments: Aloha, For renting out one small area in a house to tourists through a listing agency that also handles the payments, it would be beneficial if they could collect and remit the (GET and TAT) taxes for us. We could focus more on facilitating their vacation experience in beautiful Hawaii rather than on complicated calculations, forms and deadlines. Mahalo

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [TSI Testimony](#)
Cc: jmsbus@hotmail.com
Subject: Submitted testimony for SB2693 on Feb 10, 2016 14:45PM
Date: Tuesday, February 09, 2016 5:07:11 PM

SB2693

Submitted on: 2/9/2016

Testimony for TSI/CPH on Feb 10, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Jacqueline Dennis	Individual	Support	No

Comments: I use Airbnb as both a host and a guest. As a host, allowing Airbnb to collect taxes on my behalf not only will save me hours each month in the time it takes to fill out forms and submit tax payments but more importantly, it means that my tax payments will be on time, accurate, and any new changes to the tax laws will be taken into account. As a guest, I would appreciate knowing that the fee I pay to Airbnb includes everything and that I won't have to worry about being hit with an extra charge for taxes once I check in. In either case, allowing Airbnb to collect taxes on behalf of hosts will simplify the process for everyone.

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I am writing to voice my support of Bill SB2693.

I am an Airbnb host and I have been collecting and paying my General Excise and Transient Accommodations taxes the old fashioned way. I have to ask my guest if they can pay cash when they arrive and it can create an uncomfortable situation. It would make the experience for myself and the guest a lot more smooth if Airbnb was allowed to collect and remit these taxes on my behalf. Please consider allowing this to happen. It not only benefits us, but the community by ensuring that everyone is paying the taxes that are due.

Thank you for the opportunity to testify.

Jessica Plummer
Honolulu, Hi 96814

From: [John Shirley](#)
To: [TSI Testimony](#)
Subject: Support Bill SB 2693 and help us pay our fair share of taxes
Date: Wednesday, February 10, 2016 11:46:35 AM

Dear Vice Chair English, Chair Baker and members of the committees,

Bill SB 2693
Hearing date: 2/10/2016, 2:45 p.m., Room 225

I encourage your support of this bill. Please help make it easy for users of the sharing economy to pay their taxes by allowing Airbnb to do the collecting and remitting.

I believe it will help ensure all property owners who rent through this service will finally join with those who are already paying their required taxes.

The sharing economy and services like Airbnb are here to stay. We have seen many positive benefits in our own Kona community and our travels. Please celebrate progress and help make it easier.

Sincerely,

John Shirley

76-6323 Mahuahuia Pl
Kailua-Kona, HI 96740

808-896-7942

From: [Kevin Kaminski](#)
To: [TSI Testimony](#)
Subject: Support Bill SB 2693 and help us pay our fair share of taxes
Date: Tuesday, February 09, 2016 8:04:13 PM

Dear Vice Chair English, Chair Baker and members of the committees,

Bill SB 2693

Hearing date: 2/10/2016, 2:45 p.m., Room 225

----- please support bill SB 2693. The sharing of my space makes the difference of me being able to meet all my bills. As we all know it is very expensive to live here in Hawaii. With airbnb collecting and paying the taxes and fees helps me stay within the laws.

Sincerely,

Kevin Kaminski

67-480 kioe st
Waialua, HI 96791

808-284-0342

From: mailinglist@capitol.hawaii.gov
To: [TSI Testimony](#)
Cc: lawnsby@gmail.com
Subject: Submitted testimony for SB2693 on Feb 10, 2016 14:45PM
Date: Tuesday, February 09, 2016 4:34:04 PM

SB2693

Submitted on: 2/9/2016

Testimony for TSI/CPH on Feb 10, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Lawnsby	Individual	Support	No

Comments: This would make the collection of GE and TAT taxes much easier.

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From: mailinglist@capitol.hawaii.gov
To: [TSI Testimony](#)
Cc: robert.carroll@mauicounty.us
Subject: Submitted testimony for SB2693 on Feb 10, 2016 14:45PM
Date: Wednesday, February 10, 2016 1:02:46 PM

SB2693

Submitted on: 2/10/2016

Testimony for TSI/CPH on Feb 10, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
robert carroll	Individual	Support	No

Comments: I support this measure as a means to facilitate TAT collection from such online vacation brokers as Airbnb or VRBO. Accordingly, I support SB 2693. Thank you.

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From: mailinglist@capitol.hawaii.gov
To: [TSI Testimony](#)
Cc: pfahlguy@gmail.com
Subject: Submitted testimony for SB2693 on Feb 10, 2016 14:45PM
Date: Wednesday, February 10, 2016 9:27:19 AM

SB2693

Submitted on: 2/10/2016

Testimony for TSI/CPH on Feb 10, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
robert hobbs	Individual	Comments Only	No

Comments: I support sb2693. Having AirBnB collect and remit to the state of Hawaii the 4% GET and 9% TAT is the best way for all transient rentals to be on the same playing field. I have one room I rent out with AIRBnB. I do pay the 13.42% taxes on the rental and have done so since starting in Oct 2014. We do not need the state to spend limited resources to look for those individuals not paying their fair share. Hawaii is very expensive and I had hoped to be able to use this rental to supplement my income in retirement. I have my SS and a small pension coming in February 2018 when I turn 66. It has been quite a positive experience so far and I hope to continue. Thank you for letting me comment on this bill. Sincerely, R. Michael Hobbs

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [TSI Testimony](#)
Cc: stoopse@gmail.com
Subject: *Submitted testimony for SB2693 on Feb 10, 2016 14:45PM*
Date: Tuesday, February 09, 2016 3:37:52 PM

SB2693

Submitted on: 2/9/2016

Testimony for TSI/CPH on Feb 10, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Elen Stoops	Individual	Oppose	No

Comments:

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From: [Roth Puahala](#)
To: [TSI Testimony](#)
Subject: FW: To the committee of Tourism and International Affairs RE: SB 2693
Date: Wednesday, February 10, 2016 1:48:22 PM

Roth K. Puahala, Committee Clerk/Legislative Aide
Office of Senate District One
State Capitol, Room 213
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TEL: 808.586.6760
FAX: 808.586.6689
Toll-Free from Hawai'i Island: 974.4000 EXT. 66760
E-mail: r.puahala@capitol.hawaii.gov

From: TOUtestimony
Sent: Wednesday, February 10, 2016 1:05 PM
To: Roth Puahala
Subject: FW: To the committee of Tourism and International Affairs RE: SB 2693

Just got another one.

From: June Mcquitty [<mailto:june2hawaii@gmail.com>]
Sent: Wednesday, February 10, 2016 12:59 PM
To: TOUtestimony
Subject: To the committee of Tourism and International Affairs RE: SB 2693

The Honorable Senators Rosalyn H. Baker, Will Espero, Michelle N. Kidani and Jill N. Tokuda have sponsored Senate Bill 2693 which goes to the Tourism and International Affairs Committee today which ultimately says that every vacation rental owner must hire an attorney and a C.P.A. to collect their taxes and represent them in order to conduct business. Really?! Your trust in citizens in Hawaii to do the right thing is so low that we who run a vacation rental must have an attorney and C.P.A. to become trustworthy. Let's see, the Federal and state Governments let me conduct reporting and paying federal taxes on my own. Hawaii Property taxes affords me the same opportunity. Same with the DMV and the list goes on.

I believe that the sponsors of this bill and anyone that votes yes should have an attorney, C.P.A., psychiatrist, MD. and pastor verify that these individuals are clear thinking at all times, have a working heart, and possess a soul every time they have a thought.

June McQuitty
Ocean View
Vacation Rental Hawaii Tax ID No. WO6812465-01

From: [Roth Puahala](#)
To: [TSI Testimony](#)
Subject: FW: SB 2693 STINKS--corrected Bill Number
Date: Wednesday, February 10, 2016 9:19:35 AM

Roth K. Puahala, Committee Clerk/Legislative Aide

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Honolulu, HI 96813

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E-mail: r.puahala@capitol.hawaii.gov

From: TOUtestimony
Sent: Wednesday, February 10, 2016 9:06 AM
To: Roth Puahala
Subject: FW: SB 2693 STINKS--corrected Bill Number

From: pukalaniparadise@aol.com [<mailto:pukalaniparadise@aol.com>]
Sent: Wednesday, February 10, 2016 7:22 AM
To: TOUtestimony
Subject: Fwd: SB 2693 STINKS--corrected Bill Number

To the committee of Tourism and International Affairs RE: SB 2693

I am an Air BnB operator on the Big Island and I do not need help reporting my income or preparing my taxes.

I am perfectly capable of doing this on my own.

I do not need to hire an accountant and an attorney to abide by the law.

Please do not add more red tape for those of us who are making a difference by giving visitors a more personable, friendly, informative experience than they would get at a large hotel.

We have only done this for one year and it has been an incredible experience for us and for everyone who has the opportunity to stay here.

Linda Schutt
PO Box 377260

Ocean View HI 96737
808/939-9042

From: [Roth Puahala](#)
To: [TSI Testimony](#)
Subject: FW: SB 2693--Corrected SB Number
Date: Wednesday, February 10, 2016 9:19:28 AM

Roth K. Puahala, Committee Clerk/Legislative Aide

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Toll-Free from Hawai'i Island: 974.4000 EXT. 66760
E-mail: r.puahala@capitol.hawaii.gov

From: TOUtestimony
Sent: Wednesday, February 10, 2016 9:06 AM
To: Roth Puahala
Subject: FW: SB 2693--Corrected SB Number

From: pukalaniparadise@aol.com [<mailto:pukalaniparadise@aol.com>]
Sent: Wednesday, February 10, 2016 7:20 AM
To: TOUtestimony
Subject: Fwd: SB 2693--Corrected SB Number

To the committee of Tourism and International Affairs RE: SB 2693

My wife and I own a modest home that we also use for a vacation rental (VRBO.com and/or AirBnB.com) as do over 2500 other Hawaii residents. We do not choose to rent it out frequently but when we do it is always enjoyable for both of us as well as our guests. We have had guests from all over the world and create lasting friendships with many of them. They get to have a Hawaiian experience they would never have in a north Kona hotel. We share our aloha, culture and knowledge which leaves a lasting impression. The vacation rentals are

providing a much needed income for many residents as well as creating jobs for maintaining and cleaning the homes. Nearly every guest can't say enough about how much they love staying in vacation rentals. I feel it has been the single biggest boost to bringing visitors to Hawaii.

The Honorable Senators Rosalyn H. Baker, Will Espero, Michelle N. Kidani and Jill N. Tokuda have sponsored Senate Bill 2693 which goes to the Tourism and International Affairs Committee today. It is deliberately written in political gibberish but when all is scraped away what it says is that every vacation rental owner must hire an attorney and a C.P.A. to collect their taxes and represent them in order to conduct business. We already declare all income and pay all taxes due to the Federal, State and local authorities. We do not need to hire professional help.

So, why would four Honorable Senators introduce such a completely unnecessary bill? To find the answer, FOLLOW THE MONEY!

Perhaps they were taken to lunch by a representative of a large, multinational hotel industry. Perhaps they were persuaded to make it more difficult to own and operate a vacation rental in Hawaii. If they accepted money for this it will be shown on the Senators' tax returns labeled "Campaign Contribution" which has a better sound to it than BRIBE! The hotel industry could lower their rates a little but this might prove a hardship for their C.E.O.'s to maintain their billionaire status. Bill 2693 STINKS!

Sincerely,

Tim Schutt PO Box 377260, Ocean View HI 96737 808/939-9042