

THE SENATE

Committee on Tourism and International Affairs

Senator Gilbert Kahele, Chair

Senator J. Kalani English, Vice Chair

Committee on Public Safety, Intergovernmental and Military Affairs

Senator Will Esperio, Vice Chair

Senator Rosalyn H. Baker, Vice Chair

State Capitol, Conference Room 229  
Thursday, February 19, 2015; 1:15 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 408  
RELATING TO TRANSIENT ACCOMMODATIONS TAX**

The ILWU Local 142 **supports** S.B. 408, which amends the amount of transient Accommodations Tax allocated to the counties from a specified sum to a percentage of the revenues collected.

Tourism is the main industry driving Hawaii's economy on all islands. Visitors come from around the world to Hawaii as a destination, not just to Oahu but to all islands. The Transient Accommodations Tax (TAT) is assessed to visitors staying at hotels throughout the state and should be used not just to market for more visitors but also to ensure that visitors will have a pleasant, safe experience here.

Toward that end, counties play a hugely important role. When visitors drive around any of the islands, they want to see beautiful beaches with lifeguards, clean streets and parks, police ensuring the public's safety, and fire and emergency personnel available to assist in emergency situations. Counties provide these services, yet their taxing power is limited. They must rely, hat in hand, on the State.

The original intent of the TAT was to provide counties with a percentage of the TAT to offset the impact of visitors on services provided by the counties. As visitor numbers increase, visitor impact will increase, but TAT revenue will also increase. By restoring the counties' share of the TAT to a percentage of the total rather than a fixed dollar amount, TAT revenues to the counties will be in line with increased visitor counts and increased impacts on county services.

The ILWU urges passage of S.B. 408 as a fair, reasonable response to the counties' expanding responsibilities amidst a growing visitor sector. Thank you for considering our testimony.



OUR BUSINESS IS MAUI BUSINESS

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**TESTIMONY IN SUPPORT OF SB408  
RELATING TO TRANSIENT ACCOMMODATIONS TAX**

SENATE COMMITTEE ON TOURISM AND INTERNATIONAL AFFAIRS  
AND PUBLIC SAFETY  
SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

Hawaii State Capitol, Conference Room 229  
February 19, 2015  
1:15pm

Dear Chair Kahele, Vice Chair English, Chair Espero, Vice Chair Baker and Members of the Committees,

The Maui Chamber of Commerce **supports** SB408 which amends the amount of Transient Accommodations Tax (TAT) revenues allocated to the Counties from a specified sum to a 44.8 percent of the revenues collected under Chapter 237D of the Hawai'i Revised Statutes.

The State has increased its share of the TAT distribution significantly since 2007, but the Counties are not receiving their fair share of this revenue. We feel that the Counties should be getting a much higher amount of the TAT revenue and that the cap should be lifted. These funds are necessary for improving our parks, roadways, and emergency and other services that benefit residents and visitors alike.

We understand that the State formed a State-County Functions Working Group to evaluate the distribution of the TAT revenues. We look forward to seeing these recommendations and hope they support the Counties receiving their fair share of the TAT revenue as well, but we respectfully ask that the Senate Joint Committee approve SB408.

Thank you for the opportunity to testify.

Sincerely,

Pamela Tumpap  
President