

Honolulu, Hawaii

February 10, 2017

RE: H.B. No. 1471  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1471 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Promote ease and efficiency in the collection of transient accommodations and general excise taxes by establishing a framework allowing transient accommodations brokers to register as tax collection agents for the collection and remittance of general excise and Transient Accommodations Taxes owed by transient accommodations operators and plan managers using the brokers' services; and
- (2) Allocate Transient Accommodations Tax revenues to the counties for fiscal year 2017-2018 for compliance and enforcement of the Transient Accommodations Tax.

The Hawaii Lodging and Tourism Association, ILWU Local 142, Oahu Alternative Lodging Association, Internet Association, Airbnb, and many concerned individuals supported this measure. The Department of Budget and Finance, UNITE HERE Local 5, Outrigger Hotels Hawaii, Coalition for Equal Taxation, the Kailua Neighborhood Board, and two concerned individuals opposed this measure. The Department of Taxation, Office of Hawaiian Affairs,



Tax Foundation of Hawaii, and Rental By Owner Awareness Association offered comments on this measure.

Your Committee notes that the counties did not provide direct comments on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the returns and the names and addresses provided by the transient accommodations broker tax collection agent must be disclosed to a duly authorized county tax official for the limited purpose of real property tax administration;
- (2) Requiring the operator or plan manager to specifically attest that the property for lease or rent is in compliance with applicable land use laws;
- (3) Changing its effective date to July 1, 2117, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism,

  
RICHARD H.K. ONISHI, Chair



