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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,

HB1471 HD1 HSCR TOU HMS 2017-1846-1

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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



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Record of Votes of the Committee on Tourism

	Referral:	Date:	11.0	11
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The committee is reconsidering its previous decision	on the measure.			
The recommendation is to: θ Pass, unamended (a θ Pass short form bill		s, with amendments (nmit for future public)
TOU Members	Ayes	Ayes (WR)	Nays	Excused
. ONISHI, Richard H.K. (C)				
. TOKIOKA, James Kunane (VC)				
. CACHOLA, Romy M.	V			
. CHOY, Isaac W.	/			
. ITO, Ken	V			
. OHNO, Takashi				
. WOODSON, Justin H.	$V_{\rm res}$		an tang sa	
. WARD, Gene		v		
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TOTAL (8)				
The recommendation is: 0 Adopted If joint referral,	θ Not Adopte	did not suppor	rt recommendation.	
/ice Chair's or designee's signature:	XAMV I	MM		
Distribution: Original (White) – Committee Du	plicate (Yellow) -	Chief Clerk's Office	Duplicate (Pi	nk) – HMSO