

STAND. COM. REP. NO.

1082

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1471  
H.D. 3

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1471, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to promote ease and efficiency in the collection of transient accommodations and general excise taxes by:

- (1) Establishing a framework requiring 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;
- (2) Allocating transient accommodations tax revenues to the counties for fiscal year 2017-2018 for compliance and enforcement of the county ordinances regulating transient vacation rentals; and
- (3) Establishing a surcharge tax on transient accommodations brokers to be deposited into the Rental Housing Revolving Fund.



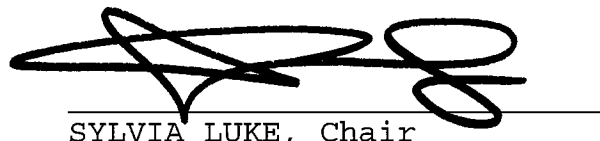
The International Longshore and Warehouse Union Local 142 and numerous concerned individuals supported this measure. The Department of Planning and Permitting of the City and County of Honolulu; UNITE HERE Local 5; MauiOwnersCondos.com; Condominium Rentals Hawaii; Outrigger Hotels Hawaii; Hawaii Association of REALTORS; Coalition for Equal Taxation; Rental By Owner Awareness Association; Expedia Inc.; and several concerned individuals opposed this measure. Department of the Attorney General; Department of Taxation; Office of Hawaiian Affairs; County of Kauai; Hawaii Lodging and Tourism Association; Tax Foundation of Hawaii; Airbnb; Kohala Coast Resort Association; Oahu Alternative Lodging Association; Maui Hotel & Lodging Association; and three concerned individuals provided comments.

Your Committee has amended this measure by:

- (1) Adding a definition for a "large transient accommodations broker";
- (2) Requiring large transient accommodations brokers to act as tax collection agents and permitting all other transient accommodations brokers to act as tax collection agents; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1471, H.D. 3.

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



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SYLVIA LUKE, Chair



