

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2011

H.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Economic Development, Tourism, and  
Technology, to which was referred H.B. No. 2011, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the ceiling on revenues collected by the Special Enforcement Section of the Department of Taxation that may remain in the tax administration special fund from \$700,000 to \$1,000,000; and
- (2) Require that the first \$300,000 of the \$1,000,000 collected be deposited into a separate account to be used for operations of the Special Enforcement Section pertaining exclusively to enforcement of the transient accommodations tax.

Your Committee received comments on this measure from the Department of Taxation.


Your Committee finds that the Special Enforcement Section ensures that tax laws are properly enforced throughout the State. The Special Enforcement Section plays a crucial role in ensuring civil enforcement by, among other things, investigating suspected violations of tax laws. Your Committee further finds that in



recent years, the transient accommodations industry has expanded rapidly, especially in tourist destinations such as Hawaii. Although technological advancements have improved the lifestyle for many consumers, they have also unknowingly introduced issues with tax compliance. Your Committee believes that the Special Enforcement Section needs to be better equipped to enforce tax laws throughout the State, especially the transient accommodations tax law.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2011, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development, Tourism, and  
Technology,



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GLENN WAKAI, Chair



