

STAND. COM. REP. NO.

2345

Honolulu, Hawaii

FEB 14 2018

RE: S.B. No. 2489
S.D. 1

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

Sir:

Your Committees on Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2489 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose and intent of this measure is to amend the formula for the amount of transient accommodations tax to be collected from time shares by increasing the base on which time shares are taxed.

Your Committees received testimony in opposition to this measure from the Maui Hotel and Lodging Association; Vistana Signature Experiences; American Resort Development Association, Marriott Vacations Worldwide Corporation; Wyndhm Vacation Ownership, Inc.; and Hawai'i Lodging and Tourism Association. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find there is a need to update an outdated formula for the amount of tax to be collected from time shares. Your Committees recognize the concerns of time share owners with the proposed increase in the formula's tax base; however, your Committees believe that increasing parity between hotels and time share units is important, as the formula for levying transient



accommodations taxes on time share units has not been adjusted since 1998.

Your Committees have amended this measure by inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2489, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2489, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development, Tourism, and
Technology and Commerce,
Consumer Protection, and
Health,



ROSALYN H. BAKER, Chair



GLENN WAKAI, Chair



