STAND. COM. REP. NO. 750-18

Honolulu, Hawaii

, 2018

MAR 23

RE: S.B. No. 2868

S.D. 3 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Tourism, to which was referred S.B. No. 2868, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require transient accommodations brokers, travel agencies, and tour packagers to register with and pay a \$15 registration fee to the Department of Taxation; and
- (2) Amend the definition of "gross rental" or "gross rental proceeds", as used in the transient accommodations tax law, to apply the transient accommodations tax to the share of proceeds received by transient accommodations brokers, travel agencies, and tour packagers who enter into arrangements to furnish transient accommodations at noncommissioned negotiated contract rates.

The Travel Technology Association, NetChoice, and Independent Lodging Industry Association opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2018; and
- (2) 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 S.B. No. 2868, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2868, S.D. 3, H.D. 1, and be referred to your Committee on Finance.

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

RÍCHARD H.K. ONISHI, Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

H3cR 1350-18

Record of Votes of the Committee on Tourism

Bill/Resolution No.: Cor	nmittee Referral:	e Referral: Date: 3/20/18		
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. ONISHI, Richard H.K. (C)				Allers and the Control of the Contro
2. FUKUMOTO, Beth (VC)				
3. CACHOLA, Romy M.				
4. CHOY, Isaac W.				
5. ITO, Ken				
6. LoPRESTI, Matthew S.				
7. OHNO, Takashi				
8. WOODSON, Justin H.				
9. WARD, Gene				
				-
			<u> </u>	
TOTAL (9)	1			2
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				