

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,


RICHARD H.K. ONISHI, Chair



