

STAND. COM. REP. NO.

1764

Honolulu, Hawaii

April 7

, 2017

RE: S.B. No. 704
S.D. 2
H.D. 2

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 S.B. No. 704, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VACATION RENTALS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Promote ease and efficiency in the collection of transient accommodations and general excise taxes by establishing a framework allowing 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; and
- (2) Allocate transient accommodations tax revenues to the counties for fiscal year 2017-2018 for compliance and enforcement of the transient accommodations tax.

Airbnb, Oahu Alternative Lodging Association, and numerous individuals testified in support of this measure. The Department of Planning and Permitting of the City and County of Honolulu, International Longshore and Warehouse Union Local 142, UNITE HERE

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Local 5, American Hotel and Lodging Association, Rental By Owner Awareness Association, Outrigger Hotels Hawaii, Coalition for Equal Taxation, Filipino-American Advocacy Network, Keep It Kailua, Expedia, Inc., Filipino American Citizens League, National Federation of Filipino American Associations Region 12, Nursing Advocates & Mentors, Inc., and four individuals testified in opposition. The Department of Budget and Finance, Department of Taxation, Office of Hawaiian Affairs, Hawaii Tourism Authority, Tax Foundation of Hawaii, Hawaii Lodging & Tourism Association, and Aina Haina Community Association provided comments.

Your Committee has amended this measure by:

- (1) Changing the amounts allocated to the counties to unspecified amounts; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 704, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 704, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



