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STATE OF HAWAII
DEPARTMENT OF TAXATION
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PHONE NO.: (808) 587-1540
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To: The Honorable Glenn Wakai, Chair
and Members of the Senate Committee on Economic Development, Tourism, and
Technology

The Honorable Rosalyn H. Baker, Chair
and Members of the Senate Committee on Commerce, Consumer Protection, and
Health

Date: Friday, February 3, 2017
Time: 1:25 P.M.
Place: Conference Room 414, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 1087, Relating to Taxation

The Department of Taxation (Department) provides the following comments on S.B.
1087 for your consideration.

S.B. 1087, which is effective upon approval and applies to taxable years beginning after
December 31, 2017, permits a transient accommodations broker to register as a tax collection
agent on behalf of its operators and plan managers. The following is a summary of key
provisions of the bill:

Duties as Tax Collection Agent

- The registered agent will be required to report, collect, and pay general excise tax and
transient accommodations tax on behalf of all of its operators and plan managers for
transient accommodations booked directly through the registered agent.
- The registered agent's operators and plan managers will be deemed to be licensed
under chapters 237 and 237D, Hawaii Revised Statutes (HRS), for business activities
conducted directly through the broker.
- The registered agent will assume all obligations, rights, and responsibilities imposed
on operators and plan managers for business activities conducted directly through the
registered agent and will be personally liable for all taxes due and collected.

Reporting

- The Director of Taxation may require the registered agent to provide, with the annual return, a list of the federal tax identification numbers of all operators to whom the registered agent provided information returns under the Internal Revenue Code
- The registered agent shall provide the names or addresses of its operators to the Director of Taxation when requested through an administrative subpoena or upon waiver by the operator.
- The registered agent shall report annually to the Director on an aggregate basis the total number of operators and plan managers by county on whose behalf the registered agent collected and remitted taxes and the total taxes by county collected and remitted.

Compliance with Land Use Laws

- Prior to advertising a property, the registered agent shall (1) notify the operator that the property is required to be in compliance with applicable land use laws and (2) require the operator to attest that the property is in compliance with applicable land use laws.

First, the Department notes that, in general, permitting transient accommodations brokers to act as tax collection agents, similar to how multi-level marketing organizations may act as tax collection agents on behalf of their direct sellers, pursuant to section 237-9(e), HRS, eases the burden of reporting and remitting taxes for taxpayers and promotes efficient tax collection by easing the burden of processing, auditing, and collecting from individual taxpayers.

The Department has concerns, however, that the provisions in new sections 237-__ (i) and 237D-__ (i), regarding compliance with land use laws, requires the Department to police unlawful activity. The Department's function is to collect taxes, not to determine when an act is unlawful and enforce compliance with non-tax laws. The land use provisions in sections 237-__ (i) and 237D-__ (i), however, will place the Department in situations where it may need to prioritize enforcement of land use laws above its duty to collect taxes. If an operator of a registered agent fails to attest that the property is in compliance with land use laws, the Department may be forced to cancel the registered agent's registration and forego collecting taxes from the source.

An operator who is renting a unit in violation of land use laws owes taxes on the unlawful transaction regardless of the legality of the underlying activity, just as an unlicensed contractor operating without proper permits is still liable for taxes resulting from the unlawful contracting activity. The Department cannot monitor and enforce laws that are unrelated to tax, especially when doing so would hinder the Department's primary function of collecting taxes.

The Department understands the desire to eliminate unlawful activity, but provisions ensuring compliance with the land use laws should be placed in other areas of the HRS, not in title 14. All of the laws in title 14, HRS, discuss how or when an activity will be taxed and aid in the Department's enforcement of the tax; nothing in title 14, HRS, makes an income-

producing activity unlawful.

Finally, if the Committee wishes to advance this measure, the Department notes that it will be able to implement the changes in this bill for tax years beginning after December 31, 2017.

Thank you for the opportunity to provide comments.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, TRANSIENT ACCOMMODATIONS, Transient Accommodations Brokers as Tax Collection Agents

BILL NUMBER: **SB 1087**

INTRODUCED BY: WAKAI, S. Chang, Dela Cruz, Gabbard, Galuteria, Harimoto, Nishihara

EXECUTIVE SUMMARY: Allows a transient accommodations broker to serve as a collection agent for general excise and transient accommodations taxes. This type of arrangement would probably enhance collection of taxes because of the difficulty of policing individual owners.

BRIEF SUMMARY: Adds a new section each to HRS chapter 237 and chapter 237D allowing the director of taxation to permit a transient accommodations broker to register as a tax collection agent on behalf of all of its operators and plan managers. Defines “operator,” “plan manager,” and “transient accommodations broker” the same as in the TAT law.

Upon successful registration as a tax collection agent, the broker shall report, and collect, and pay over the tax due on behalf of all of its operators and plan managers as it relates to activity booked through the broker. Registration does not relieve the broker from any of its own tax obligations, and the operators and plan managers are not protected as to any business activity other than that booked through the broker.

A registered broker shall be issued separate licenses with respect to taxes payable on behalf of its operators and plan managers in its capacity as a registered transient accommodations broker tax collection agent and, if applicable, with respect to any taxes payable under this chapter for its own business activities. The broker is to file periodic returns reporting income and exemptions as collection agent separately from its own business activity.

A broker may cancel its registration by delivering a written cancellation notice to the department and its customers; the cancellation will be effective no earlier than 90 days after delivery of the notice. The department may also cancel a registration for any cause, including violations of the tax laws or a breach of the registration agreement.

All brokers shall (1) prior to advertising on behalf of an operator or plan manager, notify the operator or plan manager that the subject property is required to be in compliance with applicable land use laws prior to retaining the services of the broker; and (2) require the operator or plan manager to attest that the subject property is in compliance with applicable land use laws.

Amends HRS section 237-30.5, relating to rental collection agents, and section 237D-8.5, relating to collecting TAT for the same residents, to clarify that those provisions do not apply to registered transient accommodation brokers.

EFFECTIVE DATE: Applies to taxable years beginning after December 31, 2017. Repealed on December 31, 2022.

STAFF COMMENTS: Act 143, SLH 1998, amended HRS section 237-9 to allow multi-level marketing companies to act as agents to collect and pay over GET on behalf of their independent entrepreneurs. At the time, it was considered beneficial for the marketing companies to collect and pay over tax as opposed to having the Department of Taxation chase down a myriad of independent owners with varying degrees of tax compliance among them.

This bill presents an opportunity for the same logic and policy considerations to apply to transient vacation rental (TVR) activity operating through transient accommodation brokers such as AirBnB, Flipkey, Homeaway, and VRBO, except that the stakes may be a little higher because TAT as well as GET is being collected. This bill would appear to be necessary or desirable to enhance the Department's collection ability given the limited resources available for all of state government including the Department.

TVR activity is a business and the dollars earned in that business are subject to Hawaii state taxes. Specifically, General Excise Tax (GET) and Transient Accommodations Tax (TAT) both apply, so those hosts that are in this business need to register appropriately and pay these taxes. But alas, not everyone does. So the bill proposes to allow the broker to register with the Department of Taxation and to remit the GET and TAT to the State on behalf of the hosts. Once registered, any time a host earns money on the broker's platform, the broker will pay the taxes and will pay over the balance to the host. The concept is like withholding, with which those of us who receive a paycheck are quite familiar: we work for an employer, the employer pays us our wages, but the employer deducts some taxes and pays them to the Department of Taxation and IRS.

A similar measure, HB 1850 (2016), passed last year but was vetoed by Governor Ige. The principal objection concerns county-level restrictions on property use. Some TVR activity violates county zoning laws. Some counties, as well as neighboring residents, see withholding as described in this bill as enabling hosts to hide illegal activities from county law enforcement. Some people have gone further. They blame TVR hosts for wrecking the sanctity of neighborhoods with an unending stream of tourists or for yanking housing units off the market in the name of greed, resulting in stratospheric housing prices that are yet another crippling blow to hardworking families struggling to make ends meet. Then, they turn to the brokers and demand that the brokers stop encouraging and facilitating such illegal, anti-societal, and morally depraved activity.

But do we really want a withholding agent to be our brother's keeper? Is it right to ask our employers to call up our banks and credit card companies to see if we are current on our mortgage and paying our bills on time? If we aren't timely or break the law, should we blame our employers for facilitating illegal or immoral activity by paying us our wages (after the tax authorities have, of course, gotten their share) instead of first making sure that those monies are applied to payment of our debts?

At some point, we need to recognize that TVR hosts, like most employees, are adults. They have chosen to go into business, and they are responsible for running their business and all that it entails. They, as the property owners, are answerable to the counties for the use or misuse of

those properties. Certainly, the brokers need to be aware of and compliant with laws that pertain to their business if they are going to be doing business here. But it seems a bit much to ask the brokers to be policemen for the counties when the counties, for whatever reason, can't or won't enforce their own zoning laws.

Ultimate responsibility as to both State tax and county zoning laws rests with the owners of the accommodations, not the broker. This bill requires the broker to inform the owner or plan manager about county level compliance, and requires the owner or plan manager to attest to that compliance. In fact, owners may be in varying degrees of compliance with the zoning laws just as they are in varying degrees of compliance with the tax laws. The broker is not in an efficient position to police the former, but effectively can do something about the latter because money from the transient guests flows through the broker's system. That is all this bill tries to address.

Digested 1/31/2017

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
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KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR
TIMOTHY F. T. HIU
ACTING DEPUTY DIRECTOR

February 3, 2017

The Honorable Glenn Wakai, Chair
and Members of the Committee on
Economic Development, Tourism
and Technology

The Honorable Rosalyn H. Baker, Chair
and Members of the Committee on
Commerce, Consumer Protection
and Health

Hawaii State Senate
Hawaii State Capitol
415 South King Street
Honolulu, Hawaii 96813

Dear Chairs Wakai and Baker, and Committee Members:

Subject: **Senate Bill No. 1087**
Relating to Taxation

The Department of Planning and Permitting (DPP) **opposes, as drafted**, Senate Bill No. 1087, which would allow transient accommodations brokers to register as tax collection agents to collect and remit general excise and transient accommodations taxes on behalf of operators and plan managers using their services. We do not take a position on the means of collecting the taxes, but we have concerns with the Bill as written.

With the popularity of transient accommodations websites, the number of transient vacation rental operators has ballooned. A report by the Hawaii Tourism Authority in 2014 showed that there were more than 4,400 units advertised on these online sites and we believe an overwhelming majority is operating without a valid permit. The DPP is charged with enforcing the county's transient vacation rental law, and we are finding it increasingly difficult to keep up with the number of illegal vacation rentals on the island.

The DPP's main concern with this Bill is the provision in Section 2, Paragraph (i), (1) and (2), which would require the operator or plan manager of the property being used for transient accommodations "attest that the subject property is in compliance with applicable land use laws." As written, the operator or plan manager is left to basically self-certify, with no provisions for verification that he or she is in compliance with county laws. Our recommendation is that the operator or plan manager be required to obtain proof of compliance in the form of a certification document issued by the county's land use regulator. The certification can be in the form of a certificate or simply a letter of verification with a seal of the appropriate county agency. We

The Honorable Glenn Wakai, Chair
and Members of the Committee on
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and Health
Hawaii State Senate
Senate Bill No. 1087
February 3, 2017
Page 2

would be happy to work with the State and licensed transient accommodation brokers in setting up this verification process.

We support the requirement that the transient accommodation operator or manager provide the names or addresses of any of its operators and plan managers to the State Tax director when such a request is made. We request that this list be made available to the counties, as it would contribute to the preponderance of evidence that we require to prove that the use, illegal or legal, is ongoing.

Thank you for the opportunity to testify.

Very truly yours,



Kathy Sokugawa
Acting Director

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 9:54 AM
To: ETT Testimony
Cc: prentissc001@hawaii.rr.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Charles Prentiss	Kailua Neighborhood Board	Oppose	No

Comments: KAILUA NEIGHBORHOOD BOARD NO. 31 519 WANAAO ROAD KAILUA, HAWAII 96734 PHONE (808) 768-3710 ↑ FAX (808) 768-3711 ↑ INTERNET: <http://www.honolulu.gov> prentissc001@hawaii.rr.com TESTIMONY STRONGLY OPPOSING SB1087 (2017) Kailua Neighborhood Board Just as the State and the counties have been making some progress to increase TAT and GET collections from vacation rentals and enforce against illegal ones, this bill is being heard that will do just the opposite. Bill SB1087 will undo recent progress and enable vacation rentals to advertise through companies like Airbnb and hide their locations from tax enforcement. This is significant step backwards. This Bill will make it difficult for enforcement inspectors to identify these businesses and determine if they are legal or illegal. It is a bill that would promote illegal activities by allowing companies like Airbnb to collect and remit taxes without making records readily available for inspection. Illegal vacation rentals are a growing problem in our state, and this bill does nothing to fix it as did Act 204. They're a problem not just because they aren't paying their fair share of taxes, but also because illegal vacation rentals take away affordable housing for local people, and hurt our economy by directly competing with full-service hotels that provide good local jobs. PLEASE OPPOSE SB1087. Charles A. Prentiss, Ph.D., Chair

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Economic Development, Tourism and Technology (ETT) Committee
Commerce, Consumer Protection Committee and Health (CPH) Committee

SUPPORT

SB1087

Friday, February 3, 2017

Pollyanna Fisher-Pool

Aloha Chairs,

I appreciate the opportunity to testify in support of SB1087. Alternative lodging is important to my family as we like the unique travel experience it offers when we travel within and outside of Hawaii. Also, we have an Ohana unit that, when not being used by our extensive family visiting we occasionally rent out short term. Allowing me to be able to work part time and take care of our twin toddlers, while providing income that, combined with my husband's salary, we can then afford to pay our mortgage.

Globally, more individuals are seeking the comfort of home during travel and the opportunity of meeting locals in order to get the best neighborhood knowledge.

Alternative lodging is a growing industry worldwide and gaining popularity. Hawaii cannot lag and miss out on the opportunity. This bill ensures that the state receives a fair share of taxes from revenue produced by alternative lodging while keeping up with the global demand.

Mahalo for your time,

Pollyanna Fisher-Pool

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 10:35 AM
To: ETT Testimony
Cc: mcohen1412@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Michal Cohen	Air BNB	Support	Yes

Comments: I support SB1087.

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Senate Economic Development, Tourism, and Technology Committee
And
Senate Commerce, Consumer Protection and Health Committee

Friday, February 3, 2017, 1:15 pm
Room 414

SUPPORT: SB1087, RELATING TO TAXES

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is David Moyer, testifying on behalf of the Oahu Alternative Lodging Association (OALA). We represent operators and owners of short-term rentals on the island as well as associated members in housekeeping, gardening and other services. We are a non-profit organization that supports the responsible advancement of our island's short-term rental industry.

We strongly support SB1087. By allowing internet platforms to collect and remit GET and TAT for its users, the state will generate tens of millions of dollars in tax revenue while also ensuring all operators pay their share of taxes owed. Without a comprehensive, easy-to-use program like this, individual operators now face the complicated and daunting task of navigating Hawaii's tax codes for both GET and TAT. This is particularly challenging for the majority of short-term rental owners who only conduct the activity on an occasional basis to make ends meet.

At the same time, we recognize that many in the broader community might not have a strong understanding of the local industry and the important role it plays in our economy and the tourism sector.

Short-Term Rentals are Vital to Hawaii's Economy

- While visitor numbers have hit historic highs and airlift remains stronger than ever, it is important to recognize that the additional accommodations needed by these visitors is generated by short-term rentals.
- Increasingly, travelers want to live like locals and are seeking out opportunities to stay and eat in local communities – not necessarily in resorts and traditional accommodations.
- Guests at short-term rentals are more likely to spend at locally owned retail shops and restaurants, unlike other visitors who often dine and shop at resort establishments.
- A report last year from Airbnb, just the third largest travel platform in the islands, indicated their guests generated \$353 million in economic activity in Hawaii. If combined with other platforms, we might expect more than triple that figure in economic impacts from short-term rentals overall.

For these reasons, we hope that the Economic Development, Tourism, and Technology Committee and the Commerce, Consumer Protection and Health Committee will pass this measure.



February 2, 2017

Senate Committee on Economic Development, Tourism, and Technology
Conference Room 414
State Capitol
415 South Beretania Street

Dear Chairman Wakai, Vice Chairman Taniguchi and Members of the Committee,

The Travel Technology Association, or Travel Tech, as we are known, is the trade association for online travel companies, global distribution systems and short-term rental platforms. Our members include well-known short-term rental companies such as Airbnb, Expedia's HomeAway and VRBO platforms, and TripAdvisor/FlipKey.

As I'm sure the committee is aware, short-term rental technology companies have created a vibrant marketplace for travelers and property owners, expanding the travel landscape by allowing residents to offer their homes as accommodations while providing economic benefits to communities around the world. It is with that in mind that Travel Tech writes to you today in opposition to SB 1281, and in support of SB 1087.

While Travel Tech supports SB 1281's desire to provide for short-term rental platforms to register as a transient accommodations tax collectors, we oppose the legislation's intent to deputize platforms as a state and local compliance and enforcement mechanism for short-term rentals. Travel Tech believes any legislation that would require platforms to interpret complicated local land use laws, collect and verify permits or tax IDs, and then police platform users accordingly is poorly conceived and virtually impossible to execute. In reality, such legislation would only be effective in creating a perception of regulation and enforcement, rather than any real compliance. With that in mind, we strongly encourage the Committee to pass SB 1087 instead, which simply allows platforms the opportunity to register and act as a transient accommodations tax collection agent.

With the passage of Act 204 in 2015, the legislature created a scenario in which short-term rental platforms are expected to police their users with respect to tax compliance, but are neither obligated, nor permitted to collect and remit taxes on behalf of their customers in order to bring them into compliance. SD 1087 solves this challenge by providing an opportunity for short-term rental platforms to register as a transient accommodations broker tax collection agents (TABTCA),



thereby allowing them to enter into voluntarily agreements with the tax department to collect and remit taxes on behalf of a customer community. Once a platform has registered with the Hawaii Department of Taxation, that platform would assume full liability for collecting and remitting taxes on behalf of its consumers. This is a sensible solution to a long-standing problem for the state's Department of Taxation when it comes to collecting taxes on short-term rentals.

Travel Tech recognizes that there is much work to be done in reforming local land use laws and sensibly regulating short-term rentals at the local level. Still, this is an industry that brings hundreds of thousands of visitors to Hawaii every year, generating hundreds of millions of dollars in economic impact for the state and its residents. With that in mind, we believe it is essential to Hawaii's tourism industry to allow platforms an opportunity to collect and remit taxes without the added burden of what should ultimately fall to state and local government entities-compliance and enforcement. Providing a vehicle for platforms to collect and remit taxes on behalf of their users would result in tens of millions of dollars in much needed new revenue for the state.

Travel Tech strongly encourages the Committee to pass SB 1087, as both the state and its residents have much to gain. Seeking to deputize these companies with the burden of code enforcement, as in SB 1281, would simply result in a missed opportunity for the state.

The Travel Technology Association is available to the Committee and the legislature as a resource, and we look forward to having the opportunity to work with you to develop a public policy solution that recognizes the value of short-term rentals to Hawaii so that all may benefit.

Sincerely,

Matthew Kiessling
Vice President, Short-term Rental Policy
The Travel Technology Association



HAWAII APPELSEED CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Applesseed Center for Law and Economic Justice
Supporting SB 1087 Relating to Vacation Rentals
Senate Committee on Economic Development, Tourism and Technology
Senate Committee on Commerce, Consumer Protection and Health
Scheduled for Hearing Friday, February 3, 2017, 1:25 PM Conference Room 414

Hawai'i Applesseed Center for Law and Economic Justice Hawai'i Applesseed is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

Thank you Chairs Wakai and Baker and members of the committees for an opportunity to testify in strong opposition to SB 1087.

SB1087 is virtually identical to the bill (HB1850) that the Governor vetoed last session. This bill only requires the transient broker to request the property owners/managers "attest" they are compliant with all land-use laws. In other words, the property owners can avoid any oversight on compliance by merely claiming they are in compliance. Many, if not most, are already operating illegally and would have no incentive to acknowledge this fact to the tax collection broker. To do so would exclude them from being able to participate in booking rentals through the broker.

A recent report by the Department of Economic Development and Tourism determined Hawaii will need 65,000 more homes to house our residents by 2025. That estimation is similar to the projection by the Hawaii Housing Finance & Development Corporation's (HHFDC) that between 2015 and 2020 we have a housing shortage of 29,500 units. The Hawaii Tourism Authority estimates that there are over 27,000 vacation rentals in the state that are advertised online. The overwhelming number of these rentals are illegal. Every home that is used illegally as a visitor lodging business is one less home for our residents.

A recent report by the Hawaii Housing Finance and Development Corporation (HHFDC) indicated an alarming drop in rental listings over the last three years for both multi-family and single-family units on all islands. In some areas, advertised rental housing listings have dropped by 80%, with the number of single-family listings in Kaua'i at less than 10% of the number of listings available three years ago. Another recent study by the Honolulu County Office of Community Services indicated that at 80 % of occupancy, the average vacation rental unit in 2015 would bring in about 3.5 times more than for a long term rental to local residents. Now more than ever we need state and county cooperation to ensure any housing, whatever the number of units, stays as residential. We need to encourage landlords to rent to residents trying to find affordable housing rather than incentivize them to converted units to vacation rentals.

*Hawaii Appleseed Center for Law and Economic
Justice*

Established 1987

Thank you for an opportunity to testify in strong opposition to SB1087.

Aloha,

Victor Geminiani

Hawaii Appleseed center for Law and Economic Justice

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 12:58 PM
To: ETT Testimony
Cc: ceciliagomezhawaii@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Cecilia Gomez	Individual	Comments Only	No

Comments: I am a resident of Hawaii and wish to express my support for bill SB 1087. We are in a big fiscal crisis in Hawaii and we should rightfully collect taxes that are rightfully those conducting business on this state. Also many vacation rentals have supported local businesses which have in turn employees local residents like myself. Please support this bill. Cecilia Gomez

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Senate Economic Development, Tourism, and Technology Committee And
Senate Commerce, Consumer Protection and Health Committee

SUPPORT

for

SB1087 RELATING TO TAXES

Testimony of Nicole Schubert

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Nicole Schubert and I am testifying in support of SB1087. For the past two years, I have rented my guest room out to travelers on Airbnb. I am a Hawaii DOE teacher. As you are all aware, Honolulu's teachers are the lowest paid in the country, based on cost of living. My spouse is also a teacher, and we rent our third bedroom to a roommate. The two of us could never afford to buy a modest house in Honolulu on teaching salaries alone. By renting our guest room out, we are able to make our family an extra \$12,000/year. This helps us pay for things like car repairs, clothing, doctor visits, and vet visits- things we might ignore without the extra income. We are also about to make our \$700/month student loan payments, as we currently owe \$140,000 for our Bachelor's and Master's degrees.

My spouse was born and raised on the Big Island and we all know how difficult it can be to raise a family and make ends meet. I urge you to pass SB1087. The revenue generated can help the state to meet its budget shortfall and ensure everyone in this vibrant industry pays its fair share of taxes.

Thank you for the opportunity to testify.

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 2:24 PM
To: ETT Testimony
Cc: leahlaramee@gmail.com
Subject: *Submitted testimony for SB1087 on Feb 3, 2017 13:25PM*

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Leah Laramee	Individual	Support	No

Comments:

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Senate Economic Development, Tourism, and Technology Committee
Senate Commerce, Consumer Protection and Health Committee

Friday, February 3, 2017, 1:15 pm
Room 414

SUPPORT: SB1087, RELATING TO TAXES

Aloha Chairs Sen. Wakai, Sen. Baker, members of the committees.

My name is Will Page, President of Page Marketing in Kailua and a member of OALA. My company publishes the *Detailed Map of Kailua* and the *Kailua Beach Map* in Japanese. We have been published and distributed over 1 million beautiful, full-color maps of Kailua and Windward Oahu since 2004.

I can tell you that Kailua businesses support tourism.

Tourism in Kailua is vital to our rural community. Shops, restaurants and activity operators cater to visitors from around the world.

As a Kailua business, I am very aware of the waves of tourism business that wash on our shores. Tourism is cyclical. Some years are great; some years are not so great.

As a Kailua business, I am also aware of the damage that is done to our local economy on a regular basis by the City and County of Honolulu. About every three to five years, the City issues some kind of edict or enforcement action that negatively impacts business in Kailua. In 2012 it was City Bill 5 and Bill 11. In 2016 it was DPP enforcement action against vacation rentals and bed and breakfast homes.

The City does not want tourism in Kailua. The City does not want the jobs, does not want the tax revenues. The City doesn't want the traffic, parking and noise that we have seen in Honolulu.

If I look at Oahu as a whole, the City does not want to allow vacation rentals or bed and breakfast homes. This would disturb the relationship between the City and the labor unions. A few neighborhood boards would protest.

Any action you take to legitimize this industry will be opposed. Paying of taxes legitimizes this industry. Once the State realizes the amount of taxes that can be collected, the City will be forced to take action.

How many people will loose their jobs, their homes and families in the City's efforts to stop the problems of noise, traffic and parking in our rural communities caused by vacation rentals and bed and breakfast homes.

SB1087 addresses this problem in a direct and palatable manner.

Mahalo,
Will Page

Senate Economic Development, Tourism, and Technology Committee
Senate Commerce, Consumer Protection and Health Committee

Friday, February 3, 2017, 1:15 pm
Room 414

OPPOSE: SB1087, RELATING TO TAXES

Aloha Chairs Sen. Wakai, Sen. Baker, members of the committees.

My name is Will Page, President of Page Marketing in Kailua and a member of OALA. My company publishes the *Detailed Map of Kailua* and the *Kailua Beach Map* in Japanese. We have been published and distributed over 1 million beautiful, full-color maps of Kailua and Windward Oahu since 2004.

I can tell you that Kailua businesses support tourism.

Tourism in Kailua is vital to our rural community. Shops, restaurants and activity operators cater to visitors from around the world.

As a Kailua business, I am very aware of the waves of tourism business that wash on our shores. Tourism is cyclical. Some years are great; some years are not so great.

As a Kailua business, I am also aware of the damage that is done to our local economy on a regular basis by the City and County of Honolulu. About every three to five years, the City issues some kind of edict or enforcement action that negatively impacts business in Kailua. In 2012 it was City Bill 5 and Bill 11. In 2016 it was DPP enforcement action against vacation rentals and bed and breakfast homes.

The City does not want tourism in Kailua. The City does not want the jobs, does not want the tax revenues. The City doesn't want the traffic, parking and noise that we have seen in Honolulu.

If I look at Oahu as a whole, the City does not want to allow vacation rentals or bed and breakfast homes. This would disturb the relationship between the City and the labor unions. A few neighborhood boards would protest.

Any action you take to legitimize this industry will be opposed. Paying of taxes legitimizes this industry. Once the State realizes the amount of taxes that can be collected, the City will be forced to take action.

How many people will loose their jobs, their homes and families in the City's efforts to stop the problems of noise, traffic and parking in our rural communities caused by vacation rentals and bed and breakfast homes.

SB1087 addresses this problem in a direct and palatable manner.

Mahalo,
Will Page

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 1:00 PM
To: ETT Testimony
Cc: cherimichel99@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Cheri Michel	Individual	Support	No

Comments: Re: SB1087 I support SB1087. My husband and I own a home and live full time in Kailua. We see our small business owners in town and the surrounding area thriving and new shops and restaurants opening. The guests staying in the vacation rentals here are a large part of this expansion and we are enjoying the benefits. Also, since we have no hotels on the Windward side of the island, it allows guests from the Mainland and all over the world to enjoy our piece of paradise. We have friends who run their vacation rentals very professionally and have been able to fix their homes up using local workers. They recommend local businesses to the island visitors who have confided that, if vacation rentals were not available on the Windward side, they would not have come to Oahu. They have no desire to stay in Waikiki. Ensuring that the state receives all the GE & TA taxes from vacation rentals will be a big boon to our economy at a time it is needed for our state infrastructure, education, homeless situation and so much more. Mahalo, Cheri Michel

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TO: Senate Economic Development, Tourism, and Technology Committee And
Senate Commerce, Consumer Protection and Health Committee

RE: TESTIMONY in SUPPORT of SB1087, RELATING TO TAXATION

HEARING:

Committee **Room** **Date/Time**
ETT/CPH 414 Feb 3, 2017 1:25 PM

TESTIMONY FROM: "Loke" Susan Simon

Aloha, Chairs Sen. Wakai, Sen. Baker and members of the committees:

Thank you for representing the people of our State and considering our views.

I appreciate the opportunity to testify in support of SB1087 which allows platforms (such as Airbnb, VRBO, HomeAway) to collect and remit GET and TAT on behalf of short-term rental operators.

As a tax-paying resident of the State for almost 30 years, I support this effort to EFFICIENTLY and EFFECTIVELY collect and process tax revenues for the State.

For over 20 years, my husband and I have hosted (free of charge) international guests through International Hospitality. We have made wonderful friends. We have not been paid, although we have housed, fed, looked after and showed these folks around. If people are willing to pay for this service, I think they should be allowed to be willing to give the State its fair share. Let's make that easy to do by letting the platforms process the tax payments.

Our son has left for college and we now have a nice room available to share with folks visiting Hawaii. We do not want to rent it out long-term, as it remains our son's room when he returns for summer, winter and other breaks. It would be very helpful to us if we were allowed to charge for the short-term rental of his room and apply the income toward his college education.

In conclusion, we could really use the extra income; the State needs revenue; as an industry, this measure will ensure we all pay our fair share.

Thank you for the opportunity to testify.

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 1:12 PM
To: ETT Testimony
Cc: janinarichard@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Andy Ramirez	Individual	Comments Only	No

Comments: Honorable Senators I support SB 1087 because it properly collect taxes from people doing business here. AirBnB has implemented this in over 200 cities throughout the world because local governments understand there is an entitlement to receive revenues from local business. With all the shortage of Hawaii state funds I would be surprised this bill would be an issue. Mahalo, Andy Ramirez

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Senate Economic Development, Tourism, and Technology Committee And
Senate Commerce, Consumer Protection and Health Committee

SUPPORT

for

SB1087 RELATING TO TAXES

Testimony of Millie Hyde

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Millie Hyde and I am testifying in support of SB1087. As a kama'aina and a responsible business owner for over twenty years I hold tax licenses for several businesses. As I am now entering retirement and in order to sustain my ability to provide for myself and family we have engaged in an Owner/Operator Bed and Breakfast endeavor in our home to make ends meet. The above bill when passed will help promote the short term rental community in a responsible way and allow us to be able to provide our home for additional income. The provisions by the sponsors of SB1087 to apply for a pseudo tax collector status will help those individuals without business experience to engage in short term rental endeavors to supplement their income and is a positive step to increase responsible individuals to work and compete in the ever increasing cost of living in Hawaii.

As the child of a parent born in Kalaupapa and as a subsequent divorced single parent who has raised my children in the islands I know how economically difficult it can be to raise a family and make ends meet. I urge you to pass SB1087. The revenue generated can help the state to meet its budget shortfall and ensure everyone who wants to engage in this vibrant industry pays their fair share of taxes along with us who have already been doing so.

Thank you for the opportunity to testify.

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 10:37 AM
To: ETT Testimony
Cc: frances1215@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Frances	Individual	Support	No

Comments: Aloha, I support this measure. The state is facing a huge budget deficit and this bill will bring in much needed revenue, without taxing the local people more.

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ETT Testimony

From: hawaiibecca@gmail.com on behalf of Coast Partners LLC
<coastpartnersllc@gmail.com>
Sent: Thursday, February 2, 2017 9:55 AM
To: ETT Testimony
Subject: SUPPORT for SB1087 RELATING TO TAXES

Senate Economic Development, Tourism, and Technology Committee And Senate Commerce, Consumer Protection and Health Committee

SUPPORT for SB1087 RELATING TO TAXES

Testimony of Akos Horvath

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

I am testifying in support of SB1087. I would like the opportunity to rent my home for short term options. I have two spare bedrooms and doing long term rent is not so good for me, because I would be sharing my space with them and don't always want to have roommates. This give me additional income and I live paycheck to paycheck now.

Please pass SB1087. The state needs the extra revenue so give the sites who want to do business here a way to pay the state what it deserves.

Thank you,

Akos

coastpartnersllc@gmail.com

ETT Testimony

From: hawaiibecca@gmail.com on behalf of Kyong Sun Fernandes
<kyongsunfernandes@gmail.com>
Sent: Thursday, February 2, 2017 10:01 AM
To: ETT Testimony
Subject: SUPPORT for SB1087 RELATING TO TAXES

Feb 2, 2017

Senate Economic Development, Tourism, and Technology Committee And Senate Commerce, Consumer Protection and Health Committee

SUPPORT for SB1087 RELATING TO TAXES

Testimony of **Kyong Sun Fernandes**

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

I am testifying in support of SB1087. I have a small studio that I like to rent for short term. There is a HUGE need especially in Hawaii for a 1 month or 2 month stay. Relocating to Hawaii is hard. People have a hard time figuring out the island and where they want to live when they already have a job here. And hotels are \$400 a night! Not everyone coming here is a tourist. Some come here for work for just a few weeks at a time.

I feel that I have a right to earn money and pay tax. Please allow the broker sites to do the same in order to do business here. They can pay to play in paradise.

I'm from Hawaii and I want to thrive here. Get the tax and help Hawaii.

**Aloha,
Kyong**

Senate Economic Development, Tourism, and Technology Committee And
Senate Commerce, Consumer Protection and Health Committee

SUPPORT

for

SB1087 RELATING TO TAXES

Testimony of Norm Nichols

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Norm Nichols and I am testifying in support of SB1087. As a Keiki O Ka Aina and a responsible business owner for over forty years I hold tax licenses for several businesses. As I am now entering retirement and in order to sustain my ability to provide for myself and family we have engaged in an Owner/Operator Bed and Breakfast endeavor in our home to make ends meet. The above bill when passed will help promote the short term rental community in a responsible way and allow us to be able to provide our home for additional income. The provisions by the sponsors of SB1087 to apply for a sudo tax collector status will help those individuals without business experience to engage in short term rental endeavors to supplement their income is a positive step to increase responsible individuals to work and compete in the ever increasing cost of living in Hawaii.

I was born and raised in the islands and we all know how difficult it can be to raise a family and make ends meet. I urge you to pass SB1087. The revenue generated can help the state to meet its budget shortfall and ensure everyone who wants to engage in this vibrant industry pays their fair share of taxes along with us who have been doing so.

Thank you for the opportunity to testify.

ETT Testimony

From: Scott Atkinson <srahawaii@gmail.com>
Sent: Thursday, February 2, 2017 10:24 AM
To: ETT Testimony
Subject: SUPPORT for SB1087 RELATING TO TAXES

Senate Economic Development, Tourism, and Technology Committee And Senate Commerce, Consumer Protection and Health Committee

SUPPORT for SB1087 RELATING TO TAXES

Testimony of Scott Atkinson

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

I am testifying in support of SB1087. I fully support the right of homeowners to rent their homes on a short term basis but feel they should pay appropriate taxes. Doing so provides much needed income for home owners and tax revenue for the State. The huge mainland or foreign based hotels should not be the only ones to benefit form Hawaii's tourism industry.

Please pass SB1087.

Sincerely,

Scott Atkinson

--
Scott Atkinson
PO Box 283255
Honolulu, HI 96828
srahawaii@gmail.com

ETT Testimony

From: E.Amakata <eigo.amakata@gmail.com>
Sent: Thursday, February 2, 2017 8:54 AM
To: ETT Testimony
Subject: SUPPORT for SB1087 RELATING TO TAXES Testimony of Eigo and Shiori Amakata

Senate Economic Development, Tourism, and Technology Committee And Senate Commerce, Consumer Protection and Health Committee

SUPPORT for SB1087 RELATING TO TAXES

Testimony of Eigo and Shiori Amakata

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Eigo Amakata and me and my wife are testifying in support of SB1087. For the past several years, We have occasionally rented our ohana unit on my property which came with the house when we bought it 4 years ago. We are a young family with 3 small boys. By renting out the unit it has helped us tremendously to feed our boys. Our boys are 8, 6 and 2 years old. The older two go to a public elementary school and the youngest stays at home. Next year we need to start sending our youngest to a pre-school and we all know it is not cheap. We can really really use this extra income to raise our children.

So I desperately urge you to pass SB1087. By passing State revenue will most likely increase dramatically and I think it is a Win-Win situation.

Thank you for the opportunity to testify.

Eigo and Shiori Amakata

ETT Testimony

From: Jennifer Gonzales <jennif431@aol.com>
Sent: Thursday, February 2, 2017 9:19 AM
To: ETT Testimony
Subject: Testimony for bill SB1087

I am writing this to give my support for bill SB1087 being passed for short term renting.

I am an owner occupied short term rental owner. I recently retired from United Airline after almost 49 years of flying. I am now doing short term rentals to supplement my retirement. United Airlines as well as other large businesses have declared Bankruptcy in the years of operation. United Airlines gave our retirement to The Pension Benefit Guaranty Corporation or PBGC . I estimate I have lost \$1000.00 a month from my retirement when this happened .

I need this income of which I have always paid transit tax on to be able to stay in HI.

Jennifer Gonzales

Jennifer Gonzales
jennif431@aol.com

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
And
COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

SUPPORT

For

SB1087 RELATING TO TAXES

Friday, February 3, 2017

Testimony of **Crystala Melea (Milton) Mager**

Aloha Chairs, Senator Wakai, Senator Baker, and members of the committees:

My name is Crystala Mager and I am testifying in support of SB1087. I have been renting my small place for approximately a year and a half. Being able to purchase this home was a huge victory for me. I am a single parent having gone through an extremely difficult divorce that left me with very little. This home has given me the ability to share the beauty of Hawaii with my two children and provided me with part-time income to take care of my family and pay the bills.

In addition, I am able to offer part-time employment to a wonderful housekeeper who also relies on the income from my short-term renting. This is currently her only means of support.

Hawaii has limited land resources and as a state, its main industry is tourism. The ability to share one's home for short-term renting does two important things: 1) It reduces the need to pave over and build more lodging for visitors, thus preserving the beauty that people travel here to experience. 2) Visitors staying in short-term rentals spend money in local shops, restaurants, and activities just as guests at hotels and resorts do, thus helping the local economy.

I urge you to pass SB1087. I report and pay all of my taxes. The revenue generated will help the state to meet its budget shortfall and ensure everyone in this vibrant industry pays its fair share of taxes.

I oppose both SB1281 and SB1202 RELATING TO TAXES, because they are over-reaching and will hurt individuals and the economy much more than they will help

Thank you for the opportunity to share and testify.

Crystala Melea (Milton) Mager

(808) 626-5188

melea70@aol.com

Evans McGowan
PO Box 541
Hanalei, HI 96714
808.631.5234
evmcgowan@gmail.com

February 1, 2017

Re: SB1087

Aloha Chairs of the ETT and CPH Committees:

Greetings from the island of Kauai! I appreciate the opportunity to write in **SUPPORT of SB1087.**

I have had the honor and privilege to host guests on the North Shore of Kauai these past 2.5 years. I would not be able to afford the place I stay in without this added income. In addition, I have also paid thousands of dollars in GET and TAT. I think it is important that persons pay their fair share to operate their short-term accommodations.

By keeping the process simple and automated, the state stands to reap thousands if not millions of dollars from outstanding GET and TAT that is currently not being paid by unregistered Hawaii businesses. SB1087 is the simplest and clearest way to bring these people out of the shadows and ensure the state is getting its fair share.

Please pass this measure so that the state will earn more money and put it to good use.

Mahalo for your time and consideration,

Evans McGowan
Social Studies Teacher
Island of Kauai

ETT Testimony

From: Josephine <naturalgardenshi@aol.com>
Sent: Wednesday, February 1, 2017 11:27 PM
To: ETT Testimony
Subject: Support for SB1087 Hearing date Feb 3 1:15pm

To: Senate Economic Development, Tourism, and Technology Committee And
Senate Commerce, Consumer Protection and Health Committee

Re: SUPPORT for SB1087 Relating to taxes

Hearing Date: Feb 3, 2017 1:15pm

Testimony of Josephine Hoh

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Josephine Hoh and I am testifying in support of SB1087. I started renting out our 'ohana unit on my property when my first son left for college almost three years ago. Currently I have three college age children and our middle-income (family) is stretched to make ends meet. Without this opportunity to rent out our unit we will definitely be stretched further. I am an abiding citizen and active in the community. I believe in giving back and blessing others and I also hope that we can have a fair share of having an alternative income through transient accommodation for homeowners.

Please pass SB1087. The revenue generated can help the state to meet its budget shortfall and ensure everyone in this vibrant industry pays its fair share of taxes.

Thank you for the opportunity to testify.

Sincerely,

Josephine Hoh

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 8:22 AM
To: ETT Testimony
Cc: kktarvyd@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Rosario Tarvyd	Individual	Support	No

Comments: SB1087 will serve to streamline the collection of much needed revenue by tasking Airbnb with the process as each reservation is made. In 2016, the Transient Accommodation and GE Taxes on Airbnb transactions alone (not counting those via HomwAway and other short term rental businesses) were approximately 25 million dollars (14 percent + of gross rental income). This income is paid directly to the state from the Airbnb hosts. However, a significant number of hosts do not pay this tax as they are either unaware, or feel that the amount is negligible and thus not warranted. This bill serves to streamline the process, as similar bills have in other states, to collect this revenue without additional strain on the state tax collection personnel. Person to person commerce is very much here to stay, as it is growing exponentially in Hawaii and in other states. It is time we seize this opportunity to collect the taxes due and regulate this industry that has helped many individuals across the state. This bill will ensure steady and reliable collection of taxes due as the transactions occur at no cost to the taxpayer because a private company, Airbnb, is willing to do the work. Thank-you,

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Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Sara Culhane and I am testifying in support of SB1087.

For the past five years, I have occasionally rented out rooms in my house where I live with my two children. Doing so provides me and my family with extra income that I use to make ends meet. It helps to pay for my mortgage and allows me to stay in Hawaii and raise my two children. This is especially important since I am recently widowed and I'm a single mother.

I urge you to pass SB1087. The revenue generated can help the state to meet its budget shortfall and ensure everyone in this vibrant industry pays its fair share of taxes.

Thank you for the opportunity to testify.

ETT Testimony

From: Mark Steiner <markshawai@gmail.com>
Sent: Thursday, February 2, 2017 8:39 AM
To: ETT Testimony
Subject: SUPPORT · for · SB1087 RELATING TO TAXES

- Senate Economic Development, Tourism, and Technology Committee And Senate Commerce, Consumer Protection and Health Committee

- SUPPORT
- for
- SB1087 RELATING TO TAXES
- Testimony of Mark Steiner

- Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

- My name is Mark Steiner and I appreciate the opportunity to testify in support of SB1087. For the past several years, after my divorce, I rent a guest room part time to help supplement my income. Even as a professional with a decent salary, the high cost of living in Hawaii, particularly housing, is difficult, even for me. In addition, I am 67 years old, and have not yet retired, as I am not confident I can afford this, although I would be able to do on the mainland. In my 10 years here I have seen a continual movement toward making this beautiful place one that only the wealthy can afford. Notice the Teslas, Mercedes, Jaguars, and the new condos for \$1 – 4 million.
- My guests, are from around the world. Often, they would not be able to afford the full service hotels or would not stay for as long. They usually like to shop in America and spend money that otherwise would be spent outside the state.
- so provides me and my family with extra income that I use to make ends meet. It helps to pay for my children's college tuition and my mortgage. This is especially important since I am recently retired.
- I pay all my TAT and GET, as well as income taxes and some of this revenue would not be available to the state if these guests could not afford to vacation here.
- The revenue generated can help the state to meet its budget shortfall and ensure everyone in this vibrant industry pays its fair share of taxes.
- Thank you for the opportunity to testify.

ETT Testimony

From: K S <kellysolutions@gmail.com>
Sent: Wednesday, February 1, 2017 9:12 PM
To: ETT Testimony
Subject: SUPPORT SB1087

Committee on Economic Development, Tourism and Technology
And the Committee on Commerce, Consumer Protection and Health

SUPPORT

for

SB1087 RELATING TO TAXES

Testimony of **Kelly Stern**

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Kelly Stern and I am testifying in support of SB1087. I have lived on the big island and now in Honolulu working to improve mental health for children in public school system. In 2015 I lead the state in landing a grant for \$12.6M and won the Daniel K Inouye award for advancing the field of psychology. While my contribution to improvements for the mental health of children and families of this island have been my work for the last 27 years in Hawaii, I still have found that I need to work two jobs to make ends meet so that my children who had to move to the mainland can come back for visits or I can go visit them.

Recently I was able to make a purchase of a condo for my family to retreat to, and I use Airbnb in between times I want to bring in some revenue to fly my kids here from the mainland. It's the only way I can afford to bring them back so we can enjoy the beauty of Hawaii together.

I want a mechanism that does not criminalize my ability to rent for the short term and to pay taxes on what I receive from my guests, while still allowing me to have my condo for family gatherings.

Please support this bill so that those of us who struggle to work in our communities can make some extra money to enjoy time with our children and promoting family time.

Thanks you for considering this request.

Respectfully

Kelly Stern

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 7:40 PM
To: ETT Testimony
Cc: mlqhawaii@gmail.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/1/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Michael L Quisenberry	Individual	Support	No

Comments: Please pass this bill to allow locals to benefit from visitor revenues rather than only non local hotel owners.

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ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 5:56 PM
To: ETT Testimony
Cc: bautista.aprilk@icloud.com
Subject: *Submitted testimony for SB1087 on Feb 3, 2017 13:25PM*

SB1087

Submitted on: 2/1/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
April Bautista	Individual	Oppose	No

Comments:

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ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 11:31 AM
To: ETT Testimony
Cc: stoopse@gmail.com
Subject: *Submitted testimony for SB1087 on Feb 3, 2017 13:25PM*

SB1087

Submitted on: 2/1/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Elen Stoops	Individual	Oppose	No

Comments:

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ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 3:38 PM
To: ETT Testimony
Cc: kandis@mcengineer.com
Subject: *Submitted testimony for SB1087 on Feb 3, 2017 13:25PM*

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Kandis McNulty	Individual	Oppose	No

Comments:

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ETT Testimony

From: Carol Sutherland <casbrightideas@icloud.com>
Sent: Thursday, February 2, 2017 3:35 PM
To: ETT Testimony
Subject: SUPPORT BILL 1087, Relating to Taxation

Dear Chair Senator Wakai:

Please note that I ... **SUPPORT SB 1087**

Carol Sutherland
Makaha

ETT Testimony

From: Glen Robinson <bigdahg@gmail.com>
Sent: Wednesday, February 1, 2017 7:52 PM
To: ETT Testimony
Subject: SB1087 RELATING TO TAXES

Senate Economic Development, Tourism, and Technology Committee And
Senate Commerce, Consumer Protection and Health Committee

SUPPORT

for

SB1087 RELATING TO TAXES

Testimony of Glen Robinson

Aloha Chairs Sen. Wakai, Sen. Baker and members of the committees:

My name is Glen Robinson and I am testifying in support of SB1087. For the past several years, I have occasionally rented an 'ohana unit on my property when it isn't being used. Doing so provides me and my family with extra income that I use to make ends meet. It helps to pay for my children's college tuition and my mortgage.

My children were born and raised in the islands and we all know how difficult it can be to raise a family and make ends meet. I urge you to pass SB1087. The revenue generated can help the state to meet its budget shortfall and ensure everyone in this vibrant industry pays its fair share of taxes.

Thank you for the opportunity to testify.

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 7:42 PM
To: ETT Testimony
Cc: chinheng@chinheng.com
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM

SB1087

Submitted on: 2/1/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Chin Lee	Individual	Support	No

Comments: In support of the bill to allow a broker to collect and remit tax on behalf of vacation rental owner/operator, because it will ease the burden of the operator and to ensure that Hawaii collect its fair share of the tax. When the government makes it seamless and convenient for its citizen to pay taxes, we all win.

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1 February 2017

Honolulu, Hawaii

Testimony of Mark R. Hagadone, Ph.D., FACFE

Chairs Senator Wakai, Senator Baker and honorable members of the Committee:

My name is Mark Hagadone and I am testifying **in support of SB 1087**. For the past year, I have rented an *'ohana* unit on my property when it isn't being used by my adult children in college or my extended family, when visiting. Doing so provides us with extra income that I use to make ends meet. It helps to pay for my children's college, my mortgage and property taxes. This is especially important since I am 65 and will soon retire.

Additionally our Ohana unit used in this manner places **less** of an impact on our neighbors and neighborhood resources than the full time rental unit used to in the past. We have on property parking and are always present onsite during our rentals.

I was raised in the islands and we all know how difficult it can be to make ends meet on a fixed income. I urge you to pass SB1087. The revenue generated can help the State to meet its budget shortfall and ensure everyone in this vibrant industry pays their fair share of taxes in an efficient and accurate way.

Thank you for the opportunity to testify.

Mark R. Hagadone
3900 Niele Place
Honolulu, Hawaii 96816

To: Senator Glenn Wakai, Chair
Senator Brian T. Taniguchi, Vice Chair

Senator Rosalyn H. Baker, Chair
Senator Clarence K. Nishihara, Vice Chair

My name is Gina AK LeTourneur
I represent myself
My number is 8087824867

The hearing day is Friday, Feb 3, 2017

Re Bill 1087. I support this bill

I am a native of Hawaii and I am in favor of Bill 1087.

The reasons I am supporting this bill is because I have been renting long term for over ten years and it has not been a good experience. I am a single mother for thirty years. I worked three jobs to get where I am at. I bought a home and rented long term for over 15 years. I have had to go to court over five times, each time the court ruled in my favor. From squatters, to home destruction, to tenants skipping out on rent and leaving my place in shambles. I have supported my two daughters and I have a disabled daughter and grandson that I support. I have switched to renting 30 days or more at a time. I pay my GE and TAT license The reason I SUPPORT 1087 is because, taxes will benefit our state and this can help those who don't understand the importance of giving back to the state. With this bill, taxes will be benefiting our state. This is a way to bring revenue to help with projects for homeless housing. I have had the experience to rent 31 days and it has been the most positive experience for me. I am able to pay my mortgage and keep peace on my property for my family and me. Please consider the bill 1087. I am speaking up because the media, public and community have not heard from people like me enough. I agree we need regulation and I believe this will bring a solution that is a win/win situation.

Thank you for listening to my stand on supporting Bill 1087.

Testimony in Support of SB1087

This bill is very comprehensive and will allow the State to collect the taxes on short-term vacation rentals, which so many say are not being paid. This bill is a big improvement from last year's SB1850 that the Governor vetoed. Permitting is a separate issue.

ETT Testimony

From: Mark Petritz <markpetritz@gmail.com>
Sent: Wednesday, February 1, 2017 9:31 PM
To: ETT Testimony
Subject: SB 1087

I support Bill 1087 for the collection of taxes by 3rd parties.

1281 and 1202 have too many non relevant restrictions.

Aloha,

Mark Petritz

Principal Broker (B)
Petritz Realty
Direct: 808.779.3232
Fax: 866.727.7693

ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 3:55 AM
To: ETT Testimony
Cc: info@rboaa.org
Subject: Submitted testimony for SB1087 on Feb 3, 2017 13:25PM
Attachments: RBOAA testimony - SB1087.doc

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Neal Halstead	Rental By Owner Awareness Association	Oppose	No

Comments:

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ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 2:55 PM
To: ETT Testimony
Cc: Cwatanabe@5.unitehere.org
Subject: *Submitted testimony for SB1087 on Feb 3, 2017 13:25PM*

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Gill	UNITE HERE Local 5	Oppose	Yes

Comments:

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ETT Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 3:07 PM
To: ETT Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB1087 on Feb 3, 2017 13:25PM*

SB1087

Submitted on: 2/2/2017
Testimony for ETT/CPH on Feb 3, 2017 13:25PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

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