STAND. COM. REP. NO. 1746

Honolulu, Hawaii

MAR 15 , 2019

RE: S.B. No. 162

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 162, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to amend the amount and allocation of the rental motor vehicle surcharge tax by:

- (1) Increasing the rental motor vehicle surcharge tax for lessees from \$3 to \$5 for each day, or portion of a day, that a rental motor vehicle is rented;
  - (2) Repealing the additional surcharge tax of \$2 for each day, or portion of a day, for lessees who do not possess a valid Hawaii driver's license; and
  - (3) Depositing of the \$5 collected pursuant to the rental motor vehicle surcharge tax:
    - (A) \$2 into the respective county subaccount of the state highway fund for state highway road capacity projects in the county that generated the surcharge tax; and

(B) \$3 into the state highway fund for statewide use.

The Department of the Attorney General, Department of Taxation, and Department of Transportation submitted testimony in support of this measure. An individual submitted testimony in opposition. Avis Budget Group, Enterprise Holdings, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

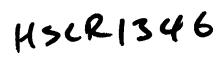
- (1) Changing the amounts of the rental motor vehicle surcharge tax and allocations to unspecified amounts; and
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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

HENRY J.C. AQUINO, Chair

## State of Hawaii House of Representatives The THIRTIETH Legislature



## **Record of Votes of the Committee on Transportation**

Bill/Resolution No.:  SB 162 SD 2	Committee Referral: TRN, CPC, FIN	Date 3	: 13/19	
☐ 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)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)				
A HACKWAYOFO E N. (HC)				
2. HASHIMOTO, Troy N. (VC)				
3. BROWER, Tom				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. MATAYOSHI, Scot Z.				
7. WOODSON, Justin H.			Charles than ingular and a comment	
8. McDERMOTT, Bob				
			-	
			<u> </u>	
TOTAL (8)	<b>6</b>		2	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 Suplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				