

STAND. COM. REP. NO. 1346

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



