

STAND. COM. REP. NO.

2161

Honolulu, Hawaii

APR 05 , 2019

RE: S.B. No. 162
S.D. 2
H.D. 3

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 162, S.D. 2, H.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 the allocation of the rental motor vehicle surcharge tax by:

- (1) Changing the amount of the rental motor vehicle surcharge tax for lessees 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 portions of the rental motor vehicle surcharge tax into:
 - (A) The State Highway Fund for statewide use; and
 - (B) The respective county subaccount of the State Highway Fund for highway road capacity projects in the county that generated the surcharge tax.



The Department of the Attorney General, Department of Taxation, Department of Transportation, Enterprise Holdings, Avis Budget Group, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Increasing the expenditure ceiling for the State Highway Fund by inserting an unspecified appropriation out of the State Highway Fund; 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. 162, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 162, S.D. 2, H.D. 3.

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



SYLVIA LUKE, Chair



