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**LATE**

To: The Honorable Glenn Wakai, Chair  
and Members of the Senate Committee on Energy, Economic Development, and  
Tourism

The Honorable Clarence K. Nishihara, Chair  
and Members of the Senate Committee on Public Safety, Intergovernmental, and  
Military Affairs

Date: Friday, March 22, 2019  
Time: 2:50 P.M.  
Place: Conference Room 414, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

Re: S.C.R. 95, Urging the Department of Taxation to conduct a study to determine the amount of  
transient accommodations tax revenues that would be allocated to each county if the allocation  
were to be recalculated based upon population growth from 2010 to 2017.

The Department of Taxation (Department) offers the following comments regarding  
S.C.R. 95 for the Committee's consideration.

S.C.R. 95 urges the Department of Taxation to conduct a study to determine the  
allocation of transient accommodations tax (TAT) revenues based on population growth from  
2010 to 2017.

The Department notes that the current allocation percentages have been in place since  
July 1, 1994 and were enacted by Act 7 during the Special Session of 1993. Since the current  
allocation percentages have been in place since 1993, it may be more appropriate to consider  
population growth since 1993 rather than only considering the period from 2010 to 2017.  
Furthermore, the Department is uncertain that the growth in population in itself is the most  
appropriate factor to consider in this context.

Finally, the cap on the counties' share of TAT of \$93 million was added by Act 103  
during the regular session of 2011. The cap was increased to \$103 million during the regular  
session of 2014 by Act 174. S.C.R. 95 does not request a reconsideration of the cap.

Thank you for the opportunity to provide comments.