

Honolulu, Hawaii

FEB 28 , 2020

RE: H.B. No. 2366

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2366 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

begs leave to report as follows:

The purpose of this measure is to simplify and streamline administration of the transient accommodations tax (TAT) by:

- (1) Broadening the definition of "operator" to include any person operating a transient accommodation or engaging or continuing in any service business that results in the collection of receipts defined as gross rental proceeds under the TAT law;
- (2) Replacing the term "operator or plan manager" with "person" or "taxpayer" to ensure that there are no technical defenses or loopholes to any TAT provisions since the imposition of the TAT on transient accommodations brokers, travel agents, and tour packagers enacted by Act 211, Session Laws of Hawaii 2018;
- (3) Repealing the misdemeanor for failing to obtain a TAT registration identification number and replacing the misdemeanor with a monetary fine to be consistent with similar violations under the general excise tax law;

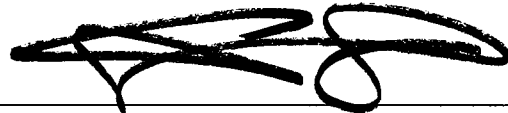


- (4) Applying personal liability for certain controlling officers under section 237-41.5, Hawaii Revised Statutes, to the TAT; and
- (5) Removing outdated provisions requiring taxpayers to file and pay at specific taxation districts.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

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 H.B. No. 2366 and recommends that it pass Third Reading.

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



SYLVIA LUKE, Chair



