

STAND. COM. REP. NO.

1177

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 382
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 382, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to adjust the formula for the transient accommodations tax imposed on time share units.

Specifically, the measure increases the fair market rental value base upon which a time share unit is taxed to an unspecified percentage of the gross daily maintenance fees paid by the unit owner and attributable to the unit.

Your Committee received written comments in opposition to this measure from American Resort Development Association--Hawaii and the Kohala Coast Resort Association.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the formula for imposing the transient accommodations tax on time share units has not been updated since 1998, when the State began imposing the tax on those units. Your Committee believes that it is reasonable to update



the formula to better reflect changes in the economy and the industry that have occurred since then, as this measure proposes.

Your Committee has amended this measure by:

- (1) Establishing that the base upon which a time share unit is taxed shall be equal to the gross daily maintenance fees that are paid by the unit owner and are attributable to the unit; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 382, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

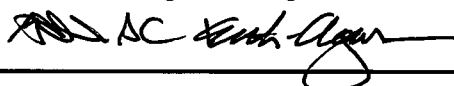


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB382 SDI	EET, WAM	2/19/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.		X		
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo		X		
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.				X
FEVELLA, Kurt		X		
TOTAL	5	3		5
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes