

STAND. COM. REP. NO. 1632

Honolulu, Hawaii

APR 09 2021

RE: H.B. No. 1043
H.D. 3
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1043, H.D. 3, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the administration of the transient accommodations tax.

More specifically, the measure:

- (1) Provides that any taxpayer who receives gross rental proceeds shall pay the tax;
- (2) Replaces certain references to "operator and plan manager" with "taxpayer" or "person";
- (3) Clarifies that a certificate of registration is required for persons advertising transient accommodations;
- (4) Eliminates the misdemeanor criminal penalty for failing to register and replaces it with a monetary fine structure;



- (5) Applies the personal liability provision under the general excise tax law to the transient accommodations tax; and
- (6) Repeals provisions establishing the office of the taxation district in which the taxes arose or the office of the first taxation district in Honolulu as the recipients of periodic returns.

Your Committee received written comments in support of this measure from the Department of Taxation.

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

Your Committee finds that the transient accommodations tax provides the State with necessary revenues. Your Committee further finds that statutory language requires clarification to ensure effective enforcement and administration of the tax.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 H.B. No. 1043, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1043, H.D. 3, S.D. 2.

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



DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 1043, HD 3, SD 1</i>	<i>JDC, WAM</i>	<i>4/7/21</i>		
<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			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	<i>11</i>			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>AC Keith Agaran</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes