

STAND. COM. REP. NO.

866

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 775
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 S.B. No. 775, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to adjust the transient accommodations tax rate based on the number of tourists visiting the State within a calendar year.

Your Committee received written comments in opposition to this measure from the Department of Taxation, one member of the Maui County Council, Kohala Coast Resort Association, and Maui Chamber of Commerce.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; and Tax Foundation of Hawaii.

Your Committee recognizes that the tourism industry is a vital component of the State's economy. Your Committee anticipates that the number of tourists visiting the State is expected to increase as Hawaii recovers from the coronavirus disease 2019 (COVID-19) pandemic. Accordingly, your Committee believes that collecting additional transient accommodations tax




revenues would help to meet the State's budgetary needs for public services, infrastructure, and other matters.

Your Committee has amended this measure by:

- (1) Specifying that the Hawaii Tourism Authority and Department of Business, Economic Development, and Tourism shall determine the number of visitor arrivals in the State for each calendar year, and that the Department shall publish that number in the State of Hawaii Data Book no later than June 30 of the following calendar year;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments 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. 775, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 775, S.D. 2.

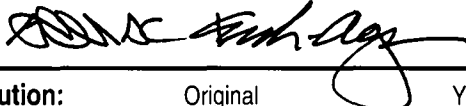
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


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:		
SB 775, SD 1	EET, WAM	2/26/21		
<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	10			1
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