

STAND. COM. REP. NO.

129

Honolulu, Hawaii

FEB 11 2021

RE: S.B. No. 646
S.D. 1

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

Sir:

Your Committee on Transportation, to which was referred S.B. No. 646 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to improve roadways in the State by increasing the amount of the rental motor vehicle surcharge tax from \$5 to \$8 for any county with a resident population of more than 125,000, but less than 195,000, and depositing the revenue from the increased surcharge tax into that county's subaccount within the State highway fund.

Your Committee received testimony in support of this measure from the Department of Transportation and Maui Chamber of Commerce. Your Committee received testimony in opposition to this measure from Avis Budget Group and Enterprise Holdings. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure will increase funding to improve roadways by increasing the surcharge tax on rental motor vehicles for counties with a certain population.

Your Committee understands the concerns addressed by the testimony from Avis Budget Group and Enterprise Holdings and acknowledges that rental car companies have been especially hurt



by the continuing coronavirus 2019 (COVID-19) pandemic. It is the desire of your Committee that when a final effective date is inserted into this measure, should it proceed, it will be a date that accounts for economic recovery from the effects of the COVID-19 pandemic.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 646, S.D. 1, and be referred to your Committee on Ways and Means.

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

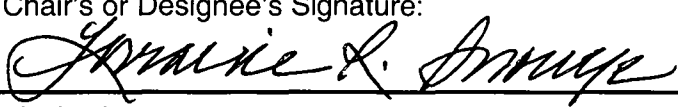


CHRIS LEE, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:* <i>SB 646</i>	Committee Referral: <i>TRS, WAM</i>	Date: <i>2/4/2021</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
LEE, Chris (C)	✓			
INOUE, Lorraine R. (VC)			✓	
ENGLISH, J. Kalani	✓			
SHIMABUKURO, Maile S.L.	✓			
FEVELLA, Kurt	✓			
TOTAL	<i>4</i>		<i>1</i>	
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