

STAND. COM. REP. NO.

**270**

Honolulu, Hawaii

**FEB 10**

, 2023

RE: H.B. No. 820

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 820  
entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a transient  
accommodations tax rate of twenty-five percent for furnishing  
transient vacation units to transient occupants for less than  
thirty days.

Your Committee received testimony in opposition to this  
measure from four individuals. Your Committee received comments  
on this measure from the Department of Taxation, Hawai'i Tourism  
Authority, and Tax Foundation of Hawaii.

Your Committee finds that transient vacation rentals continue  
to be a problem for the State as public discourse and perception  
have grown more critical of the increasing number of visitors and  
the impacts of over-tourism. Your Committee believes that the  
State needs to take a strong stance on holding the tourism  
industry accountable for the impacts on the State's resources and  
residents, such as the lack of housing for residents, as many  
units that may have housed residents are instead used as transient  
vacation rentals. This measure will ensure that transient

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vacation rentals that host visitors for less than thirty days pay their share to address the impacts of the tourism industry on the State.

Your Committee notes the concerns raised in the Department of Taxation's testimony regarding the definition of "transient vacation unit" falling under the definition of "transient accommodations", thereby subjecting transient vacation units to a transient accommodations tax rate of 35.25 percent. It is not the intent of your Committee to subject transient vacation units to a tax rate of 35.25 percent. Your Committee is working with the Department of Taxation to ensure that the language in this measure would tax transient vacation units at a rate of twenty-five percent and not 35.25 percent.

Your Committee has amended this measure by changing the effective date to June 30, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 820, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 820, H.D. 1, and be referred to your Committee on Finance.

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

  
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SEAN QUINLAN, Chair



