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February 5, 2019

Kelly King

TO: The Honorable Glenn Wakai, Chair
Senate Committee on Energy, Economic Development, and Tourism

FROM: Kelly T. King
Council Chair

SUBJECT: **HEARING OF FEBRUARY 6, 2019; TESTIMONY IN SUPPORT OF SB 382, RELATING TO TAXATION**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to update the formula for calculating the amount of transient accommodation tax, or TAT, owed by time share owners to better reflect economic and industry changes that have occurred since the Legislature first established the initial time share tax formula in 1998.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. As noted in the bill, the existing tax formula for time shares significantly underestimates the fair market rental value of many time share units. This discrepancy unfairly burdens others who are subject to the TAT and the State and county agencies that rely on TAT revenue.
2. This measure can help to reinstitute the tax equity between the hotel and time share markets that the Legislature appropriately sought more than 20 years ago.

For the foregoing reasons, I **support** this measure.