



## **ARDA-ROC LEGISLATIVE ALERT**

### **Hawaii Legislature Proposes a New 400% Increase in Timeshare Owners Taxes as a Means to Cut Budget Deficit**

#### ***6,000 Hawaii Timeshare Owner Residents Would Be Affected***

**Honolulu, Hawaii – February 1, 2011** – The Hawaii Governor and State Legislature have proposed to fix their \$700,000,000 budget deficit with an increase to the timeshare owners' tax (TOT). This would cause a significant hardship on the Hawaii timeshare community who already pay some of the highest taxes in the United States.

**The new bill includes an increase in both the percentage and the formula for the tax.** The TOT rate would increase from 7.25% to 9.25% as well as increasing the base maintenance fee calculation from 50% of the gross daily maintenance fee to 150% of the gross daily maintenance fee. This increase results in a nearly 400% increase in the TOT. While there is a partial sunset provision that would end the increase in TOT rate in 2015 (a return to 7.25%), there is no such provision for the increase in the basis of the 150% maintenance fee calculation to return to 50%.

Currently a timeshare owner with a \$1000 maintenance fee pays a TOT of \$36.20. Under the new proposal, the TOT payment for the same owner will increase to \$138.70.

"Enough is enough," said ARDA-ROC Chairman, Ken McKelvey, "We have a responsibility to the more than 1 million timeshare owners who contribute to ROC and the hundreds of Home Owners' Associations (HOAs) who volunteer and financially support ARDA-ROC for this very reason – to make sure that 'the tax the visitor rather than voter' mentality doesn't overtake the rights of timeshare owners."

ARDA-ROC has successfully fended off increases to this questionable transient lodging tax since 1998 when it was originally levied on timeshare owners. Hawaii remains the only state to have such a tax.

The ARDA-ROC Executive Committee has requested that staff and legal counsel make recommendations of a course of action to fight this egregious tax on behalf of all timeshare owners. ARDA-ROC will pursue all options to fight this questionable tax, including litigation, but needs Hawaii timeshare owners to communicate their individual concerns to legislators and the media.

Please check [www.ardaroc.org](http://www.ardaroc.org) frequently for updates, suggested points to share with legislators in personalized letters on behalf of individual timeshare owners, and contact information of specific Hawaii legislators.