

## **EDB Committee**

---

**From:** Barbara Rubin <mkvcondo@yahoo.com>  
**Sent:** Tuesday, May 14, 2019 11:06 AM  
**To:** Mayors.Office@co.maui.hi.us  
**Cc:** EDB Committee; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Paltin.Tamara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura  
**Subject:** RE: Maui County Budget Hearings - I support fair tax rates

Aloha Mayor Michael Victorino,

I own a condo at Maui Ka'anapali Villas, MKV A-317. I'm on-Island 2-3 months each year, supporting local events, schools, and shopping...of course! I rent the condo a few months out of the year as a vacation rental so that I can afford to pay the mortgage. I keep my nightly rates reasonable to give my guests the opportunity to enjoy all that is Maui. Because I am able to keep my prices low, my guests are able to afford excursions, special dinners, shows, and activities that they might not be able to enjoy otherwise. Please note that owning a condo also used as a vacation rental is not always pleasant. In this way I support several industries, manufacturers, management, maid and maintenance services....it's a long list of local vendors! I bring this up because to levy an unfair and unreasonable property tax burden on me doesn't serve any point in the long-run. I plan to increase the time I spend on Maui over the next few years thus our property is a home several months a year. Is there an allowance to reduce our property tax based on actual time used as a vacation rental?

As you are aware, current Short Term Rental Tax Rates are \$9.28/\$1000, the third highest rate only exceeded by Hotel and Time Share rates. These already high rates are exacerbated by escalating property values that are in many cases in excess of what the property can bring on the open market. So, not only are the current tax rates very high, but they are being applied on an unreasonable value.

In the past several years tax valuations have greatly increased (add your yearly increase in the past 5 years) Adding another 28% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very likely to reduce the value of these very properties which then reduces the tax revenues received.

Please understand, this is not property used as a hotel or time share, it is our second home. We live on Maui (2-3) months each year, have created many new friendships, and participate in fundraising and other community benefit activities. We love Maui and wish it to prosper for everyone, but this is placing an excessive burden on a select group of people. Short Term Rental property already comprises 25% of real property tax revenue.

We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs. The vendors who work for us or small business owners are not hotel hourly rate employees they are making good incomes ranging from handymen \$40/hour, cleaners \$50/hour to high tech repairmen at \$120+/hour.

Please choose not to further burden the Short Term Rental industry with such an aggressive and unfair tax increase. We already pay more than our fair share of property taxes simply because we choose to share our home when we are not on island. Home sharing such as this only makes sense

and maximizes both the usefulness of the space and the positive economic impact on Maui. Please do not further discourage the Legal Short Term Property Owners.

Mahalo,

Barbara Rubin, owner  
Maui Ka'anapali Villas, (MKV)  
45 Kai Ala Drive  
Lahaina, Maui 96761  
(916) 715-8504 (C)

## **EDB Committee**

---

**From:** JANE HEGSTROM <janehegstrom@comcast.net>  
**Sent:** Tuesday, May 14, 2019 5:53 AM  
**To:** EDB Committee  
**Subject:** Tax Testimony

Tax testimony:

To Whom it may concern:

We believe the proposed tax rate increase to short term rentals on Maui is exceedingly unfair. Though we do rent our unit short term it is primarily used as a second home for us between rentals. We have been owners for over 30 years. Drastic increases in taxes of all types in Hawaii are ultimately passed on to tourists. The state must remember there is a competition for destination resorts. Hawaii is difficult to visit due to geography and also is expensive in the grand scheme of things when compared to other warm climate destinations. Hawaii may be the best but at some point every tax increase just funnels more visitors to other destinations that offer more value.

John and Jane Hegstrom

500 Kapalua Drive 14P 1 & 2

Kapalua, HI 96761

## **EDB Committee**

---

**From:** Kelly King  
**Sent:** Tuesday, May 14, 2019 1:26 PM  
**To:** EDB Committee  
**Subject:** FW: Tax Testimony

**From:** JANE HEGSTROM <janehegstrom@comcast.net>  
**Sent:** Tuesday, May 14, 2019 6:01 AM  
**To:** Kelly King <Kelly.King@mauicounty.us>; Riki Hokama <Riki.Hokama@mauicounty.us>; Tash.Kama@mauicounty.us; AlicelLee@mauicounty.us; Tamara A. Paltin <Tamara.Paltin@mauicounty.us>; Shane M. Sinenci <Shane.Sinenci@mauicounty.us>; Yukilei Sugimura <Yukilei.Sugimura@mauicounty.us>; Mike J. Molina <Mike.Molina@mauicounty.us>  
**Subject:** Tax Testimony

Tax testimony:

To Whom it may concern:

We believe the proposed tax rate increase to short term rentals on Maui is exceedingly unfair. Though we do rent our unit short term it is primarily used as a second home for us between rentals. We have been owners for over 30 years. Drastic increases in taxes of all types in Hawaii are ultimately passed on to tourists. The state must remember there is a competition for destination resorts. Hawaii is difficult to visit due to geography and also is expensive in the grand scheme of things when compared to other warm climate destinations. Hawaii may be the best but at some point every tax increase just funnels more visitors to other destinations that offer more value.

John and Jane Hegstrom

500 Kapalua Drive 14P 1 & 2

Kapalua, HI 96761

## EDB Committee

---

**From:** mdjdhome@aol.com  
**Sent:** Tuesday, May 14, 2019 6:28 AM  
**To:** Mayors.Office@co.maui.hi.us  
**Cc:** EDB Committee; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Paltin.Tamara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura  
**Subject:** Maui County Budger Hearings - I support fair tax rates

Dear Mayor Michael Victorino,

As you are aware, current Short Term Rental Tax Rates are \$9.28/\$1000, the third highest rate only exceeded by Hotel and Time Share rates. These already high rates are exacerbated by escalating property values that are in many cases in excess of what the property can bring on the open market. So, not only are the current tax rates very high, but they are being applied on an unreasonable value.

In the past several years tax valuations have greatly increased (add your yearly increase in the past 5 years) Adding another 28% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very likely to reduce the value of these very properties which then reduces the tax revenues received.

Please understand, this is not property used as a hotel or time share, it is our second home. We live on Maui several months each year, have created many new friendships, and participate in fundraising and other community benefit activities. We love Maui and wish it to prosper for everyone, but this is placing an excessive burden on a select group of people. Short Term Rental property already comprises 25% of real property tax revenue.

We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs. The vendors who work for us or small business owners are not hotel hourly rate employees they are making good incomes ranging from handymen \$40/hour, cleaners \$50/hour to high tech repairmen at \$120+/hour.

Please choose not to further burden the Short Term Rental industry with such an aggressive and unfair tax increase. We already pay more than our fair share of property taxes simply because we choose to share our home when we are not on island. Home sharing such as this only makes sense and maximizes both the usefulness of the space and the positive economic impact on Maui. Please do not further discourage the Legal Short Term Property Owners.

In closing, as we approach retirement in the next few years we are very much hoping to live even longer in Maui each year. However, on a fixed income, it will be very difficult to manage with such a significant increase in taxes. Thank you for your consideration.

Maureen Donohue, property owner