

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 454
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Transportation and Culture and the Arts, to which was referred S.B. No. 454 entitled:

"A BILL FOR AN ACT RELATING TO THE RENTAL MOTOR VEHICLE SURCHARGE TAX,"

beg leave to report as follows:

The purpose and intent of this measure is to require the rental motor vehicle surcharge tax to be pro-rated if the vehicle is rented or leased for a portion of the day.

Your Committees received comments on this measure from the Department of Taxation, Enterprise Mobility, and Tax Foundation of Hawaii.

Your Committees find that this measure ensures the tax assessed on a rental motor vehicle that is rented or leased for a portion of a day is assessed fairly.

Your Committees acknowledge the testimony of the Department of Taxation that modeling language in this measure on existing law would allow the Department to implement this measure more effectively.



Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the pro-rated tax shall be assessed at a rate of \$0.25 per half hour, or any portion of a half hour that the vehicle is rented; provided that a vehicle that is rented for six hours or more shall be assessed the full rate;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and Culture and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 454, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 454, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and
Transportation and Culture and
the Arts,



CHRIS LEE, Chair



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB454	Committee Referral: CPN/TCA, WAM	Date: 2/7/25		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.		✓		
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton			✓	
TOTAL	3	1	1	0
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

The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Culture and the Arts
TCA

Bill / Resolution No.:* SB 454	Committee Referral: CPN/TCA, WAM	Date: 2/7/25
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)				✓
ELEFANTE, Brandon J.C.	✓			
KANUHA, Dru Mamo	✓			
DECORTE, Samantha			✓	<i>withd</i>
TOTAL	3	0	1	withd

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *D. K. U.*

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