
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 248-2.6, Hawaii Revised Statutes, is amended to read as follows:

"~~[§]§248-2.6[§]~~ **County surcharge on state tax; disposition of proceeds.** (a) If adopted by county ordinance, all county surcharges on state tax collected by the director of taxation shall be paid into the state treasury quarterly, within ten working days after collection, and shall be placed by the director of finance in special accounts. Out of the revenues generated by county surcharges on state tax paid into each respective state treasury special account, the director of finance shall deduct ~~[ten]~~ three per cent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for the costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State. Amounts retained shall be general fund realizations of the State.



1 (b) The amounts deducted for costs of assessment,
2 collection, and disposition of county surcharges on state tax
3 shall be withheld from payment to the counties by the State out
4 of the county surcharges on state tax collected for the current
5 calendar year.

6 (c) For the purpose of this section, the costs of
7 assessment, collection, and disposition of the county surcharges
8 on state tax shall include any and all costs, direct or
9 indirect, that are deemed necessary and proper to effectively
10 administer this section and sections 237-8.6 and 238-2.6.

11 (d) After the deduction and withholding of the costs under
12 subsections (a) and (b), the director of finance shall pay the
13 remaining balance on [†]a[†] quarterly basis to the director of
14 finance of each county that has adopted a county surcharge on
15 state tax under section 46-16.8. The quarterly payments shall
16 be made after the county surcharges on state tax have been paid
17 into the state treasury special accounts or after the
18 disposition of any tax appeal, as the case may be. All county
19 surcharges on state tax collected shall be distributed by the
20 director of finance to the county in which the county surcharge
21 on state tax is generated and shall be a general fund



1 realization of the county, to be used for the purposes specified
2 in section 46-16.8 by each of the counties.

3 (e) The executive director of the Honolulu authority for
4 rapid transportation shall submit an annual report to the
5 legislature once reimbursement of all funds has been made to the
6 State under subsection (a). The report shall include:

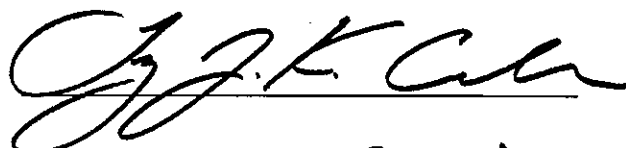

7 (1) The amount of county surcharge funds received by the
8 authority pursuant to section 46-16.8; and

9 (2) A detailed accounting of the usage of county surcharge
10 funds by the authority."

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2015.

14 INTRODUCED BY:

JAN 26 2015



H.B. NO. 760

Report Title:

General Excise Tax; Surcharge; State Reimbursement

Description:

Changes the State's automatic deduction of the gross proceeds of a county's surcharge on state tax for mass transit to three per cent to reimburse the State for costs associated with handling of the county surcharge on state tax. Requires an annual report of the usage of surcharge accounts.

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