

JAN 23 2015

A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is amended to read as follows:

"[+]§46-16.8[+] County surcharge on state tax. (a) Each county may establish a surcharge on state tax at the rates enumerated in sections 237-8.6 and 238-2.6. A county electing to establish this surcharge shall do so by ordinance; provided that:

(1) No ordinance shall be adopted until the county has conducted a public hearing on the proposed ordinance;

(2) The ordinance shall be adopted prior to December 31, ~~[2005-]~~ 2015; and

(3) No county surcharge on state tax that may be authorized under this section shall be levied prior to January 1, 2007.

Notice of the public hearing required under paragraph (1) shall be published in a newspaper of general circulation within the



1 county at least twice within a period of thirty days immediately
2 preceding the date of the hearing.

3 (b) A county electing to exercise the authority granted
4 under this section shall notify the director of taxation within
5 ten days after the county has adopted a surcharge on state tax
6 ordinance and, beginning no earlier than January 1, 2007, the
7 director of taxation shall levy, assess, collect, and otherwise
8 administer the county surcharge on state tax.

9 ~~[(c) Each county with a population greater than five~~
10 ~~hundred thousand that adopts a county surcharge on state tax~~
11 ~~ordinance pursuant to subsection (a) shall use the surcharges~~
12 ~~received from the State for:~~

13 ~~(1) Operating or capital costs of a locally preferred~~
14 ~~alternative for a mass transit project; and~~

15 ~~(2) Expenses in complying with the Americans with~~
16 ~~Disabilities Act of 1990 with respect to paragraph~~

17 ~~(1).~~

18 ~~The county surcharge on state tax shall not be used to build or~~
19 ~~repair public roads or highways, bicycle paths, or support~~
20 ~~public transportation systems already in existence prior to~~
21 ~~July 12, 2005.~~



~~(d) Each county with a population equal to or less than five hundred thousand that adopts a county surcharge on state tax ordinance pursuant to subsection (a) shall use the surcharges received from the State for:~~

~~(1) Operating or capital costs of public transportation within each county for public transportation systems, including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks, or bicycle paths; and~~

~~(2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1).~~

~~(e) As used in this section, "capital costs" means nonrecurring costs required to construct a transit facility or system, including debt service, costs of land acquisition and development, acquiring of rights of way, planning, design, and construction, and including equipping and furnishing the facility or system.]~~

(c) Each county that adopts a county surcharge on state tax ordinance pursuant to subsection (a) shall use the surcharges received from the State for:



(1) Transportation;

(2) Affordable housing;

(3) Road repairs; or

(4) Enforcement of transient accommodations tax laws under
chapter 237D."

SECTION 2. Section 248-2.6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(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]~~ 25 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."

SECTION 3. Act 247, Session Laws of Hawaii 2005, is amended by amending section 9 to read as follows:



1 "SECTION 9. This Act shall take effect upon its approval[+
2 ~~provided that:~~

3 ~~(1) If none of the counties of the State adopt an~~
4 ~~ordinance to levy a county surcharge on state tax by~~
5 ~~December 31, 2005, this Act shall be repealed and~~
6 ~~section 437D-8.4, Hawaii Revised Statutes, shall be~~
7 ~~reenacted in the form in which it read on the day~~
8 ~~prior to the effective date of this Act;~~

9 ~~(2) If any county does not adopt an ordinance to levy a~~
10 ~~county surcharge on state tax by December 31, 2005, it~~
11 ~~shall be prohibited from adopting such an ordinance~~
12 ~~pursuant to this Act, unless otherwise authorized by~~
13 ~~the legislature through a separate legislative act;~~

14 ~~(3) If an ordinance to levy a county surcharge on state~~
15 ~~tax is adopted by December 31, 2005:~~

16 ~~(A) The ordinance shall be repealed on December 31,~~
17 ~~2022;~~

18 ~~(B) This Act shall be repealed on December 31, 2022;~~
19 ~~and~~



1 ~~(C) Section 437D-8.4, Hawaii Revised Statutes, shall~~
2 ~~be reenacted in the form in which it read on the~~
3 ~~day prior to the effective date of this Act]."~~

4 SECTION 4. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect upon its approval;
7 provided that if an ordinance to levy a county surcharge on
8 state tax has been adopted by any county prior to this Act, the
9 ordinance shall be repealed on December 31, 2015.

10 INTRODUCED BY:





S.B. NO. 616

Report Title:

County Surcharge; Taxation; General Excise Tax

Description:

Authorizes any county that adopts a surcharge on state tax prior to December 31, 2015, to use the surcharges for transportation, affordable housing, road repair, or transient accommodations tax law enforcement. Changes the State's automatic deduction of 10 per cent of the gross proceeds of a county's surcharge on state tax to a deduction of 25 per cent to reimburse the state for costs associated with handling the assessments, collection, and disposition of the county surcharge. Makes permanent the county surcharge on state tax. Repeals current ordinances to levy a county surcharge on state tax on December 31, 2015.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

