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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Chapter 237, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:  
4           "§237-    Display of general excise tax registration;  
5 taxicab drivers; transportation network company drivers. (a)  
6 Every driver of a taxicab, as defined in section 269-1, and  
7 every transportation network company driver, as defined in  
8 subsection (c), shall conspicuously display within the vehicle  
9 operated by the driver a full-sized, unaltered copy of the  
10 general excise tax license issued to the driver of the taxicab  
11 or network company driver, as applicable. If a driver of a  
12 taxicab or a transportation network company driver is an  
13 employee of a general excise tax licensee, the driver shall  
14 display within the vehicle operated by the driver of a taxicab  
15 or transportation network company a full-sized, unaltered copy  
16 of the general excise tax license issued to the driver's  
17 employer.



1        (b) The department of taxation may issue a citation to any  
2 person who fails to conspicuously display the general excise tax  
3 license as required by subsection (a). Failure to conspicuously  
4 display the general excise tax license shall be subject to a  
5 fine of not more than:

- 6        (1) \$500 per day for a first violation;
- 7        (2) \$1,000 per day for a second violation;
- 8        (3) \$5,000 per day for a third and any subsequent  
9        violation.

10       Any fine shall be paid within thirty days after issuance of  
11 the citation. An appeal may be made to the director of  
12 taxation.

13       (c) As used in this section:

14       "Transportation network company" means an entity that uses  
15 a digital network or software application service to connect  
16 passengers to transportation network company drivers; provided  
17 that the entity:

- 18       (1) Does not own, control, operate, or manage the personal  
19       vehicles used by transportation network company  
20       drivers; and



1       (2) Is not a taxicab association or a for-hire vehicle  
2             owner.

3       "Transportation network company driver" means an individual  
4 who operates a personal vehicle used to transport a passenger  
5 between points chosen by the passenger and prearranged through a  
6 transportation network company and that is:

7       (1) Owned, leased, or otherwise authorized for use by the  
8             individual;

9       (2) Not a taxicab or for-hire vehicle; and

10      (3) Used to provide prearranged rides to passengers."

11      SECTION 2. Section 235-20.5, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13      "(a) There is established a tax administration special  
14 fund, into which shall be deposited:

15      (1) Fees collected under sections 235-20, 235-110.9, and  
16             235-110.91;

17      (2) Revenues collected by the special enforcement section  
18             pursuant to section 231-85; provided that in each  
19             fiscal year, of the total revenues collected by the  
20             special enforcement section, all revenues in excess of



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1           \$700,000 shall be deposited into the general fund;

2           ~~[and]~~

3           (3) Fines assessed pursuant to section 237D-4 ~~[-]~~; and

4           (4) Fines assessed pursuant to section 237- ."

5           SECTION 3. If any provision of this Act, or the  
6 application thereof to any person or circumstance, is held  
7 invalid, the invalidity does not affect other provisions or  
8 applications of the Act that can be given effect without the  
9 invalid provision or application, and to this end the provisions  
10 of this Act are severable.

11           SECTION 4. This Act does not affect rights and duties that  
12 matured, penalties that were incurred, and proceedings that were  
13 begun before its effective date.

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

16           SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

  
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JAN 23 2017



# H.B. NO. 900

**Report Title:**

General Excise Tax; Taxicabs; Transportation Network Companies

**Description:**

Requires a general excise tax license to be conspicuously displayed within any vehicle being driven by a taxicab driver or transportation network company driver. Provides penalties.

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

