
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. Section 237D-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Resort fee" means any charge or surcharge imposed by an
6 operator, owner, or representative thereof to a transient for
7 the use of the transient accommodation's property, services, or
8 amenities."

9 2. By amending the definition of "gross rental" or "gross
10 rental proceeds" to read:

11 "Gross rental" or "gross rental proceeds" means the gross
12 receipts, cash or accrued, of the taxpayer received as
13 compensation for the furnishing of transient accommodations and
14 the value proceeding or accruing from the furnishing of such
15 accommodations, including resort fees, without any deductions on
16 account of the cost of property or services sold, the cost of
17 materials used, labor cost, taxes, royalties, interest,
18 discounts, or any other expenses whatsoever. Every taxpayer



1 shall be presumed to be dealing on a cash basis unless the
2 taxpayer proves to the satisfaction of the department of
3 taxation that the taxpayer is dealing on an accrual basis and
4 the taxpayer's books are so kept, or unless the taxpayer employs
5 or is required to employ the accrual basis for the purposes of
6 the tax imposed by chapter 237 for any taxable year in which
7 event the taxpayer shall report the taxpayer's gross income for
8 the purposes of this chapter on the accrual basis for the same
9 period.

10 The words "gross rental" or "gross rental proceeds" shall
11 not be construed to include the amounts of taxes imposed by
12 chapter 237 or this chapter on operators of transient
13 accommodations and passed on, collected, and received from the
14 consumer as part of the receipts received as compensation for
15 the furnishing of transient accommodations. Where transient
16 accommodations are furnished through arrangements made by a
17 travel agency or tour packager at noncommissionable negotiated
18 contract rates and the gross income is divided between the
19 operator of transient accommodations on the one hand and the
20 travel agency or tour packager on the other hand, gross rental
21 or gross rental proceeds to the operator means only the



1 respective portion allocated or distributed to the operator, and
2 no more. For purposes of this definition, where the operator
3 maintains a schedule of rates for identifiable groups of
4 individuals, such as kamaainas, upon which the accommodations
5 are leased, let, or rented, gross rental or gross rental
6 proceeds means the receipts collected and received based upon
7 the scheduled rates and recorded as receipts in its books and
8 records."

9 SECTION 2. The department of taxation shall adopt rules
10 pursuant to chapter 91, Hawaii Revised Statutes, to further
11 define the definitions added or amended by this Act; provided
12 that this Act shall not be construed to prevent the department
13 of taxation from levying, assessing, or collecting taxes
14 resulting from the imposition of resort fees prior to the
15 adoption of these rules.

16 SECTION 3. New statutory material is underscored.

17 SECTION 4. This Act shall take effect on July 1, 2018.



S.B. NO. 2699
S.D. 2
H.D. 1
C.D. 1

Report Title:

Transient Accommodations Tax; Hotel Resort Fees; Gross Rental Proceeds

Description:

Imposes the transient accommodations tax on additional resort fees that must be included in gross rental proceeds. (CD1)

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