

JAN 20 2017

A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§237- Display of general excise tax registration;
taxicab drivers; transportation network company drivers. (a)
Every driver of a taxicab, as defined in section 269-1, and
every transportation network company driver, as defined in
subsection (c), shall conspicuously display within the vehicle
operated by the driver a full-sized, unaltered copy of the
general excise tax license issued to the driver of the taxicab
or network company driver, as applicable. If a driver of a
taxicab or a transportation network company driver is an
employee of a general excise tax licensee, the driver shall
display within the vehicle operated by the driver of a taxicab
or transportation network company a full-sized, unaltered copy
of the general excise tax license issued to the driver's
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



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

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

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

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

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

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

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

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

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



S.B. NO. 359

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

[and]

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

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

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

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

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

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

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S.B. NO. 359

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S.B. NO. 351

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.

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