

JAN 18 2019

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# 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 to read 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 or  
14 entering into arrangements to furnish transient accommodations  
15 and the value proceeding or accruing from the furnishing of  
16 transient accommodations or entering into arrangements to  
17 furnish transient accommodations, including resort fees, without



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1 any deductions on account of the cost of property or services  
2 sold, the cost of materials used, labor cost, taxes, royalties,  
3 interest, discounts, or any other expenses whatsoever. Every  
4 taxpayer shall be presumed to be dealing on a cash basis unless  
5 the taxpayer proves to the satisfaction of the department of  
6 taxation that the taxpayer is dealing on an accrual basis and  
7 the taxpayer's books are so kept, or unless the taxpayer employs  
8 or is required to employ the accrual basis for the purposes of  
9 the tax imposed by chapter 237 for any taxable year in which  
10 event the taxpayer shall report the taxpayer's gross income for  
11 the purposes of this chapter on the accrual basis for the same  
12 period.

13       The words "gross rental" or "gross rental proceeds" shall  
14 not be construed to include the amounts of taxes imposed by  
15 chapter 237 or this chapter on operators of transient  
16 accommodations, transient accommodations brokers, travel  
17 agencies, and tour packagers and passed on, collected, and  
18 received from the consumer as part of the receipts received as  
19 compensation for the furnishing of transient accommodations or  
20 entering into arrangements to furnish transient accommodations.



1           Where transient accommodations are furnished through  
2 arrangements made by a transient accommodations broker, travel  
3 agency, or tour packager at noncommissionable negotiated  
4 contract rates and the gross income is divided between the  
5 operator of transient accommodations on the one hand and the  
6 transient accommodations broker, travel agency, or tour packager  
7 on the other hand, the tax imposed by this chapter shall apply  
8 to each operator and transient accommodations broker, travel  
9 agency, or tour packager with respect to that person's  
10 respective portion of the proceeds and no more.

11           For purposes of this definition, where the operator  
12 maintains a schedule of rates for identifiable groups of  
13 individuals, such as kamaainas, upon which the accommodations  
14 are leased, let, or rented, gross rental or gross rental  
15 proceeds means the receipts collected and received based upon  
16 the scheduled rates and recorded as receipts in its books and  
17 records."

18           SECTION 2. The department of taxation shall adopt rules,  
19 pursuant to chapter 91, Hawaii Revised Statutes, to further  
20 define the definitions added or amended by this Act; provided  
21 that this Act shall not be construed to prevent the department



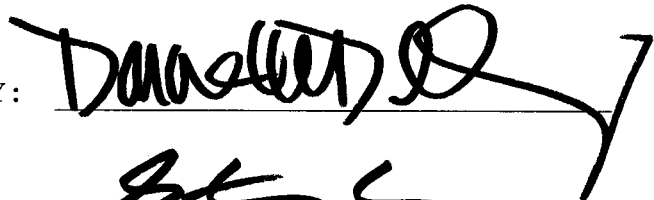
1 of taxation from levying, assessing, or collecting taxes  
2 resulting from the imposition of resort fees prior to the  
3 adoption of these rules.

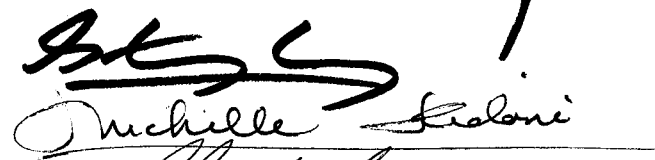
4 SECTION 3. New statutory material is underscored.

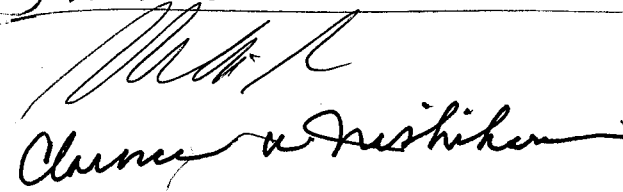
5 SECTION 4. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:



  
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# S.B. NO. 380

**Report Title:**

Transient Accommodations Tax; Hotel Resort Fees; Gross Rental Proceeds

**Description:**

Imposes the transient accommodations tax on resort fees and requires that those fees be included in gross rental proceeds.

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

