H.B. NO. ¹⁷⁷⁶ H.D. 1

PROPOSED

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1	SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is				
2	amended as follows:				
3	1. By amending subsection (c) to read:				
4	"(c) Each county that has not established a surcharge on				
5	state tax prior to July 1, 2015, may establish the surcharge at				
6	the rates enumerated in sections 237-8.6 and 238-2.6. A county				
7	electing to establish this surcharge shall do so by ordinance;				
8	provided that:				
9	(1) No ordinance shall be adopted until the county has				
10	conducted a public hearing on the proposed ordinance;				
11	(2) The ordinance shall be adopted prior to [March 31,				
12	2019;] December 31, 2020; and				
13	(3) No county surcharge on state tax that may be				
14	authorized under this subsection shall be levied prior				
15	to January 1, 2019, or after December 31, 2030.				
16	A county electing to exercise the authority granted under				
17	this subsection shall notify the director of taxation within ten				

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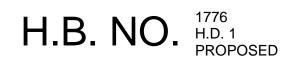
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1 days after the county has adopted a surcharge on state tax 2 ordinance. Beginning on January 1, 2019, [or] January 1, 2020, 3 or July 1, 2021, as applicable pursuant to sections 237-8.6 and 4 238-2.6, the director of taxation shall levy, assess, collect, 5 and otherwise administer the county surcharge on state tax." 6 2. By amending subsection (f) to read: 7 "(f) Each county [with] having a population equal to or 8 less than five hundred thousand that adopts a county surcharge 9 on state tax ordinance pursuant to this section prior to 10 January 1, 2020, shall use the surcharges received from the 11 State for: 12 Operating or capital costs of public transportation (1) 13 within each county for public transportation systems, 14 including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks, or 15 16 bicycle paths; [and] 17 (2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph 18 19 (1)[-;]; and 20 (3) Affordable housing infrastructure to provide housing 21 for households having incomes of no more than one

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1	hundred forty per cent of the area median income, as				
2	determined by the United States Department of Housing				
3	and Urban Development; provided that a county that				
4	uses surcharge revenues for affordable housing shall				
5	not pass on related infrastructure costs to the				
6	developer of a housing project that sells or rents its				
7	housing units to households having incomes of no more				
8	than one hundred forty per cent of the area median				
9	income;				
10	provided that each county having a population equal to or less				
11	than five hundred thousand that adopts a county surcharge on				
12	state tax ordinance pursuant to this section after December 31,				
13	2019, shall use the surcharges received from the State only for				
14	the purposes described in paragraph (3)."				
15	SECTION 2. Section 237-8.6, Hawaii Revised Statutes, is				
16	amended by amending subsection (b) to read as follows:				
17	"(b) Each county surcharge on state tax that may be				
18	adopted or extended pursuant to section 46-16.8 shall be levied				
19	beginning in a taxable year after the adoption of the relevant				
20	county ordinance; provided that no surcharge on state tax may be				
21	levied:				

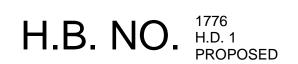
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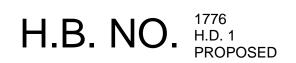
1	(1)	Prio	r to:
2		(A)	January 1, 2007, if the county surcharge on state
3			tax was established by an ordinance adopted prior
4			to December 31, 2005;
5		(B)	January 1, 2019, if the county surcharge on state
6			tax was established by the adoption of an
7			ordinance after June 30, 2015, but prior to
8			June 30, 2018; [or]
9		(C)	January 1, 2020, if the county surcharge on state
10			tax was established by the adoption of an
11			ordinance on or after June 30, 2018, but prior to
12			March 31, 2019; [and] <u>or</u>
13		(D)	July 1, 2021, if the county surcharge on state
14			tax was established by the adoption of an
15			ordinance on or after March 31, 2019, but prior
16			to December 31, 2020; and
17	(2)	Afte	r December 31, 2030."
18	SECT	ION 3	. Section 238-2.6, Hawaii Revised Statutes, is
19	amended by	y ame	nding subsection (b) to read as follows:
20	"(b)	Eac	h county surcharge on state tax that may be
21	adopted or	r ext	ended shall be levied beginning in a taxable year

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1 after the adoption of the relevant county ordinance; provided 2 that no surcharge on state tax may be levied: 3 (1) Prior to: January 1, 2007, if the county surcharge on state 4 (A) 5 tax was established by an ordinance adopted prior 6 to December 31, 2005; 7 January 1, 2019, if the county surcharge on state (B) 8 tax was established by the adoption of an 9 ordinance after June 30, 2015, but prior to 10 June 30, 2018; [or] (C) January 1, 2020, if the county surcharge on state 11 12 tax was established by the adoption of an 13 ordinance on or after June 30, 2018, but prior to 14 March 31, 2019; [and] or 15 (D) July 1, 2021, if the county surcharge on state 16 tax was established by the adoption of an 17 ordinance on or after March 31, 2019, but prior 18 to December 31, 2020; and 19 (2) After December 31, 2030." 20 SECTION 4. Statutory material to be repealed is bracketed 21 and stricken. New statutory material is underscored.

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1 SECTION 5. This Act shall take effect upon its approval.

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Report Title:

Maui County Package; Surcharge on State Tax; Extension

Description:

Extends the period in which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2019 to 12/31/2020. Authorizes the use of county surcharge revenues for affordable housing infrastructure. (HB1776 HD1 PROPOSED)

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

