
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 251-2, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) There is levied and shall be assessed and collected
4 each month a rental motor vehicle surcharge tax of \$5 a day, or
5 any portion of a day that a rental motor vehicle is rented or
6 leased. Beginning January 1, 2022, and each subsequent year on
7 January 1 until December 31, 2027, the rental motor vehicle
8 surcharge tax shall increase by \$0.50. The rental motor vehicle
9 surcharge tax shall be levied upon the lessor; provided that the
10 tax shall not be levied on the lessor if:

11 (1) The lessor is renting the vehicle to replace a vehicle
12 of the lessee that [~~is~~]:

13 (A) Is being repaired; [~~and~~] or

14 (B) Has been stolen and is unrecovered or will not be
15 repaired due to a total loss of the vehicle; and

16 (2) A record of the repair order, the stolen vehicle
17 record, or total loss vehicle claim for the vehicle is



1 retained either by the lessor for two years for
2 verification purposes or by a motor vehicle repair
3 dealer for two years as provided in section 437B-16.

4 In addition to the requirements imposed by section 251-4, a
5 lessor shall disclose, to the department, the portion of the
6 remittance attributed to the county in which the motor vehicle
7 was operated under rental or lease."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Rental Motor Vehicle Surcharge Tax; Increase

Description:

Increases the tax by \$0.50 each year from 1/1/2022 to 12/31/2027. Exempts the imposition of the rental motor vehicle surcharge tax for persons whose vehicles have been stolen and are unrecovered or will not be repaired due to total loss.
(CD1)

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