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# A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

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

3 "**§237D-2 Imposition and rates.** (a) There is levied and  
4 shall be assessed and collected each month a tax of:

5 (1) Five per cent for the period beginning on January 1,  
6 1987, to June 30, 1994;

7 (2) Six per cent for the period beginning on July 1, 1994,  
8 to December 31, 1998;

9 (3) 7.25 per cent for the period beginning on January 1,  
10 1999, to June 30, 2009;

11 (4) 8.25 per cent for the period beginning on July 1,  
12 2009, to June 30, 2010; [and]

13 (5) 9.25 per cent for the period beginning on July 1,  
14 2010 [~~, and thereafter,~~] to June 30, 2024; and

15 (6) 10.25 per cent for the period beginning on July 1,  
16 2024, and thereafter;



1 on the gross rental or gross rental proceeds derived from  
2 furnishing transient accommodations.

3 (b) Every transient accommodations broker, travel agency,  
4 and tour packager who arranges transient accommodations at  
5 noncommissioned negotiated contract rates and every operator or  
6 other taxpayer who receives gross rental proceeds shall pay to  
7 the State the tax imposed by subsection (a), as provided in this  
8 chapter.

9 (c) There is levied and shall be assessed and collected  
10 each month, on the occupant of a resort time share vacation  
11 unit, a transient accommodations tax of:

- 12 (1) 7.25 per cent on the fair market rental value until  
13 December 31, 2015;
- 14 (2) 8.25 per cent on the fair market rental value for the  
15 period beginning on January 1, 2016, to December 31,  
16 2016; ~~and~~
- 17 (3) 9.25 per cent on the fair market rental value for the  
18 period beginning on January 1, 2017 ~~[, and thereafter.]~~  
19 to December 31, 2024; and
- 20 (4) 10.25 per cent on the fair market rental value for the  
21 period beginning on January 1, 2025, and thereafter.



1 (d) Every plan manager shall be liable for and pay to the  
2 State the transient accommodations tax imposed by subsection (c)  
3 as provided in this chapter. Every resort time share vacation  
4 plan shall be represented by a plan manager who shall be subject  
5 to this chapter.

6 (e) Notwithstanding the tax rates established in  
7 subsections [~~(a)(5)~~] (a)(6) and [~~(e)(3),~~] (c)(4), the tax rates  
8 levied, assessed, and collected pursuant to subsections (a) and  
9 (c) shall be [~~10.25~~] 11.25 per cent for the period beginning on  
10 January 1, 2018, to December 31, 2030; provided that:

- 11 (1) [~~The~~] per cent of the tax revenues levied,  
12 assessed, and collected pursuant to this [~~subsection~~  
13 ~~that are in excess of the revenues realized from the~~  
14 ~~levy, assessment, and collection of tax at the 9.25~~  
15 ~~per cent rate] section shall be deposited quarterly  
16 into the mass transit special fund established under  
17 section 248-2.7; and~~
- 18 (2) If a court of competent jurisdiction determines that  
19 the amount of county surcharge on state tax revenues  
20 deducted and withheld by the State, pursuant to  
21 section 248-2.6, violates statutory or constitutional



1 law and, as a result, awards moneys to a county with a  
2 population greater than five hundred thousand, then an  
3 amount equal to the monetary award shall be deducted  
4 and withheld from the tax revenues deposited under  
5 paragraph (1) into the mass transit special fund, and  
6 those funds shall be a general fund realization of the  
7 State.

8 The remaining tax revenues levied, assessed, and collected  
9 ~~[at the 9.25 per cent tax rate pursuant to subsections (a) and~~  
10 ~~(e)]~~ shall be deposited into the general fund in accordance with  
11 section 237D-6.5(b).

12 (f) In addition to the taxes imposed under subsections  
13 (a), (c), and (e), there is levied and shall be assessed and  
14 collected each month a tax of \$50 per night on each furnishing  
15 of a transient accommodation, including transient accommodations  
16 furnished for cash or charge, or in exchange for points, miles,  
17 or other amounts provided through a membership, loyalty, or  
18 rewards program."

19 SECTION 2. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so  
21 much thereof as may be necessary for fiscal year 2024-2025 to



1 protect, manage, and restore the State's natural resources,  
2 including native forests; native plants and animals; aquatic  
3 resources; costal lands; and freshwater resources.

4 The sum appropriated shall be expended by the department of  
5 land and natural resources for the purposes of this Act.

6 SECTION 3. In accordance with section 9 of article VII of  
7 the Hawaii State Constitution and sections 37-91 and 37-93,  
8 Hawaii Revised Statutes, the legislature has determined that the  
9 appropriations contained in H.B. No. , will cause the state  
10 general fund expenditure ceiling for fiscal year 2024-2025 to be  
11 exceeded by \$ or per cent. In addition, the  
12 appropriation contained in this Act will cause the general fund  
13 expenditure ceiling for fiscal year 2024-2025 to be further  
14 exceeded by \$ or per cent. The combined total  
15 amount of general fund appropriations contained in only these  
16 two Acts will cause the state general fund expenditure ceiling  
17 for fiscal year 2024-2025 to be exceeded by  
18 \$ or per cent. The reasons for exceeding the  
19 general fund expenditure ceiling are that:

- 20 (1) The appropriation made in this Act is necessary to
- 21 serve the public interest; and



1           (2) The appropriation made in this Act meets the needs  
2                   addressed by this Act.

3           SECTION 4. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5           SECTION 5. This Act shall take effect on January 1, 3000.



**Report Title:**

Transient Accommodations Tax; Minimum Tax; Increase; DLNR;  
Natural Resources; Appropriation; Expenditure Ceiling

**Description:**

Increases the transient accommodation tax rate. Requires an additional \$50 transient accommodation tax to be levied per night for each furnishing of transient accommodations. Appropriates funds to DLNR for protection, management, and restoration of the State's natural resources. Effective 1/1/3000. (HD1)

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

