
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-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;
15 on the gross rental or gross rental proceeds derived from
16 furnishing transient accommodations.



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

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

10 (1) 7.25 per cent on the fair market rental value until
11 December 31, 2015;

12 (2) 8.25 per cent on the fair market rental value for the
13 period beginning on January 1, 2016, to December 31,
14 2016; and

15 (3) 9.25 per cent on the fair market rental value for the
16 period beginning on January 1, 2017, and thereafter.

17 (d) Every plan manager shall be liable for and pay to the
18 State the transient accommodations tax imposed by subsection (c)
19 as provided in this chapter. Every resort time share vacation
20 plan shall be represented by a plan manager who shall be subject
21 to this chapter.



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

6 (1) The tax revenues levied, assessed, and collected
7 pursuant to this subsection that are in excess of the
8 revenues realized from the levy, assessment, and
9 collection of tax at the 9.25 per cent rate shall be
10 deposited quarterly into the mass transit special fund
11 established under section 248-2.7; and

12 (2) If a court of competent jurisdiction determines that
13 the amount of county surcharge on state tax revenues
14 deducted and withheld by the State, pursuant to
15 section 248-2.6, violates statutory or constitutional
16 law and, as a result, awards moneys to a county with a
17 population greater than five hundred thousand, then an
18 amount equal to the monetary award shall be deducted
19 and withheld from the tax revenues deposited under
20 paragraph (1) into the mass transit special fund, and



1 those funds shall be a general fund realization of the
2 State.

3 The remaining tax revenues levied, assessed, and collected
4 at the 9.25 per cent tax rate pursuant to subsections (a) and
5 (c) shall be deposited into the general fund in accordance with
6 section 237D-6.5(b).

7 (f) There is levied and shall be assessed and collected
8 each month a tax of twenty-five per cent on the gross rental or
9 gross rental proceeds derived from furnishing transient vacation
10 units.

11 For the purposes of this subsection:

12 "Bed and breakfast home" means a detached dwelling unit in
13 which overnight accommodations are advertised, solicited,
14 offered, or provided, or any combination thereof, for
15 compensation, including monetary payment, services, or labor of
16 of guests, to guests for less than thirty days, and which is
17 located in the same detached dwelling unit as that occupied by
18 an owner, lessee, operator, or proprietor of the detached
19 dwelling unit.

20 "Dwelling unit" means a room or rooms connected together,
21 constituting an independent housekeeping unit for a family and



1 that contains a single kitchen. "Dwelling unit" does not
2 include two or more essentially separate structures, except for
3 a token connection such as a covered walkway or trellis.

4 "Lodging unit" means a room or rooms connected together,
5 constituting an independent living unit for a family and that
6 does not contain any kitchen. "Lodging unit" does not include a
7 resort time share vacation unit.

8 "Transient vacation unit" means a dwelling unit or lodging
9 unit that is advertised, solicited, offered, or provided, or any
10 combination thereof, for compensation, including monetary
11 payment, services, or labor of transient occupants, to transient
12 occupants for less than thirty days, other than a bed and
13 breakfast home."

14 SECTION 2. New statutory material is underscored.

15 SECTION 3. This Act shall take effect on July 1, 2023.

16

INTRODUCED BY:



JAN 23 2023



H.B. NO. 820

Report Title:

Transient Accommodations Tax; Transient Vacation Unit

Description:

Establishes a transient accommodations tax rate of twenty-five per cent for furnishing transient vacation units to transient occupants for less than thirty days.

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