
A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1 SECTION 1. Chapter 237D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237D- Noncompliance penalty. In addition to the
5 penalties under section 231-39, any taxpayer who fails to remit
6 the taxes required under this chapter shall be subject to a
7 \$10,000 penalty per day."

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

10 "**§237D-2 Imposition and rates.** (a) There is levied and
11 shall be assessed and collected each month a tax of:

12 (1) Five per cent for the period beginning on January 1,
13 1987, to June 30, 1994;

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

16 (3) 7.25 per cent for the period beginning on January 1,
17 1999, to June 30, 2009;



1 (4) 8.25 per cent for the period beginning on July 1,
2 2009, to June 30, 2010; [~~and~~]

3 (5) 9.25 per cent for the period beginning on July 1,
4 2010 [~~, and thereafter,~~] to June 30, 2024; and

5 (6) _____ per cent for the period beginning on July 1,
6 2024, and thereafter;

7 on the gross rental or gross rental proceeds derived from
8 furnishing transient accommodations.

9 (b) Every transient accommodations broker, travel agency,
10 and tour packager who arranges transient accommodations at
11 noncommissioned negotiated contract rates and every operator or
12 other taxpayer who receives gross rental proceeds shall pay to
13 the State the tax imposed by [~~subsection~~] subsections (a) [~~7~~] and
14 (f), as provided in this chapter.

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

18 (1) 7.25 per cent on the fair market rental value until
19 December 31, 2015;



1 (2) 8.25 per cent on the fair market rental value for the
2 period beginning on January 1, 2016, to December 31,
3 2016; [~~and~~]

4 (3) 9.25 per cent on the fair market rental value for the
5 period beginning on January 1, 2017 [~~, and thereafter.~~]
6 to December 31, 2024; and

7 (4) _____ per cent on the fair market rental value for the
8 period beginning on January 1, 2025, and thereafter.

9 (d) Every plan manager shall be liable for and pay to the
10 State the transient accommodations tax imposed by subsection (c)
11 as provided in this chapter. Every resort time share vacation
12 plan shall be represented by a plan manager who shall be subject
13 to this chapter.

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

19 (1) [~~The~~] _____ per cent of the tax revenues levied,
20 assessed, and collected pursuant to this [subsection
21 that are in excess of the revenues realized from the



1 ~~levy, assessment, and collection of tax at the 9.25~~
2 ~~per cent rate]~~ section shall be deposited quarterly
3 into the mass transit special fund established under
4 section 248-2.7; and

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

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

20 (f) There is levied and shall be assessed and collected
21 each month a tax of \$20 per night on each furnishing of a



1 transient accommodation in exchange for points, miles, or other
 2 amounts provided through a membership, loyalty, or rewards
 3 program. In addition to amounts owed under this subsection, any
 4 additional gross rental or gross rental proceeds derived from
 5 furnishing or arranging a transient accommodation in exchange
 6 for points, miles, or other amounts provided through a
 7 membership, loyalty, or rewards program shall remain subject to
 8 levy, assessment, and collection pursuant to subsection (a)."

9 SECTION 3. There is appropriated out of the general
 10 revenues of the State of Hawaii the sum of \$ or so
 11 much thereof as may be necessary for fiscal year 2024-2025 to
 12 protect, manage, and restore the State's natural resources,
 13 including native forests; native plants and animals; aquatic
 14 resources; coastal lands; and freshwater resources.

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

17 SECTION 4. In accordance with section 9 of article VII of
 18 the Hawaii State Constitution and sections 37-91 and 37-93,
 19 Hawaii Revised Statutes, the legislature has determined that the
 20 appropriations contained in H.B. No. , will cause the state
 21 general fund expenditure ceiling for fiscal year 2024-2025 to be



1 exceeded by \$ or per cent. In addition, the
2 appropriation contained in this Act will cause the general fund
3 expenditure ceiling for fiscal year 2024-2025 to be further
4 exceeded by \$ or per cent. The combined total
5 amount of general fund appropriations contained in only these
6 two Acts will cause the state general fund expenditure ceiling
7 for fiscal year 2024-2025 to be exceeded by
8 \$ or per cent. The reasons for exceeding the
9 general fund expenditure ceiling are that:

- 10 (1) The appropriation made in this Act is necessary to
11 serve the public interest; and
- 12 (2) The appropriation made in this Act meets the needs
13 addressed by this Act.

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on January 1, 3000.



Report Title:

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

Description:

Imposes a per-day penalty for nonpayment of TAT. Amends the transient accommodation tax rate. Requires a \$20 transient accommodation tax to be levied per night for each furnishing of transient accommodations in exchange for points, miles, or other amounts provided through a membership, loyalty, or rewards program. Appropriates funds to DLNR for protection, management, and restoration of the State's natural resources. Effective 1/1/3000. (HD2)

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