
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. The legislature finds that the transient
2 accommodations tax, established by Act 340, Session Laws of
3 Hawaii 1986, was intended to provide revenue to the counties to
4 offset the impacts of visitor activities on county
5 infrastructure and services. The legislature further finds that
6 when Hawaii residents choose to vacation within the State, they
7 are also subject to the transient accommodations tax,
8 effectively creating a double taxation burden on residents who
9 are already supporting the overall cost of state and county
10 infrastructure and public services through various other forms
11 of taxation, including but not limited to income tax, general
12 excise tax, and property tax.

13 Accordingly, the purpose of this Act is to create a
14 refundable tax credit for the State's residents equal to the
15 amount of transient accommodations tax paid for accommodations
16 within the State.



1 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Transient accommodations tax credit. (a) Any
5 taxpayer who files an individual income tax return may claim a
6 refundable transient accommodations tax credit against the
7 taxpayer's individual income tax liability equal to the full
8 amount of transient accommodations taxes incurred and paid
9 within the State during the taxable year.

10 (b) If the tax credit claimed by the taxpayer under this
11 section exceeds the amount of the income tax payments due from
12 the taxpayer, the excess of credit over payments due shall be
13 refunded to the taxpayer; provided that the tax credit properly
14 claimed by the taxpayer who has no income tax liability shall be
15 paid to the taxpayer; provided further that no refunds or
16 payments on account of the tax credit allowed by this section
17 shall be made for amounts less than \$1.

18 (c) The director of taxation shall prepare any forms that
19 may be necessary to claim a credit under this section, may
20 require proof of the claim for the tax credit, and may adopt
21 rules pursuant to chapter 91.



H.B. NO. 889

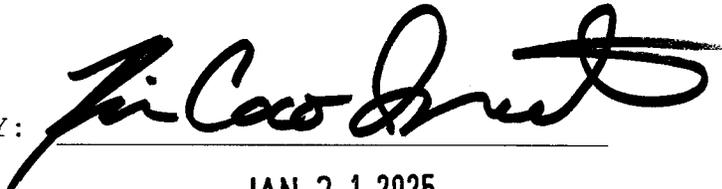
1 (d) All the provisions relating to assessments and refunds
2 under this chapter and under section 231-23(c) (1) shall apply to
3 the tax credit under this section.

4 (e) Claims for the tax credit under this section,
5 including any amended claims, shall be filed on or before the
6 end of the twelfth month following the taxable year for which
7 the claim may be claimed."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act, upon its approval, shall apply to
10 taxable years beginning after December 31, 2024.

11

INTRODUCED BY: 
JAN 21 2025



H.B. NO. 889

Report Title:

Transient Accommodations Tax; Tax Credit

Description:

Provides Hawaii taxpayers with a refundable transient accommodations tax credit.

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