
A BILL FOR AN ACT

RELATING TO THE RENTAL MOTOR VEHICLE SURCHARGE TAX.

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. When a rental motor vehicle is rented or leased for a
7 portion of a day, the tax under this section shall be assessed
8 at a rate of \$0.25 per half-hour, or any portion of a half-hour,
9 that a rental motor vehicle is rented or leased; provided that
10 for each rental of six hours or more, the tax shall be assessed
11 at the full rate specified in this section. Beginning
12 January 1, 2022, and each subsequent year on January 1 until
13 December 31, 2027, the rental motor vehicle surcharge tax shall
14 increase by \$0.50. The rental motor vehicle surcharge tax
15 shall be levied upon the lessor; provided that the tax shall not
16 be levied on the lessor if:



1 (1) The lessor is renting the vehicle to replace a vehicle
2 of the lessee that:

3 (A) Is being repaired; or

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

6 (2) A record of the repair order, the stolen vehicle
7 record, or total loss vehicle claim for the vehicle is
8 retained either by the lessor for two years for
9 verification purposes or by a motor vehicle repair
10 dealer for two years as provided in section 437B-16.

11 In addition to the requirements imposed by section 251-4, a
12 lessor shall disclose, to the department, the portion of the
13 remittance attributed to the county in which the motor vehicle
14 was operated under rental or lease. A peer-to-peer car-sharing
15 program, as defined in chapter 279L, shall be subject to the tax
16 imposed by this subsection and be subject to the other
17 requirements of this chapter."

18 SECTION 2. New statutory material is underscored.

19 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Taxes; Rental Motor Vehicles

Description:

Requires the rental motor vehicle surcharge tax to be pro-rated if the vehicle is rented or leased for a portion of the day. Effective 7/1/2050. (SD1)

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