
A BILL FOR AN ACT

RELATING TO HOSTING PLATFORMS.

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

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

4 **"§237- Hosting platforms as tax collection agent.** (a)
5 A hosting platform that earns service fees for providing booking
6 services shall register with the department of taxation as a tax
7 collection agent under this section, as a condition precedent to
8 providing booking services. Upon registration, the department
9 of taxation shall issue to the tax collection agent a separate
10 license for its activities in that capacity, with respect to
11 taxes due under this chapter on behalf of its operators and, if
12 applicable, for taxes payable under this chapter for its own
13 business activities. The director of taxation may prescribe the
14 form and manner of registration and may require any information
15 necessary for the administration of this section.

16 (b) In addition to its own responsibilities under this
17 chapter, a tax collection agent shall report, collect, and pay
18 over the taxes due under this chapter on behalf of all operators

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1 for whom the tax collection agent provides booking services;
2 provided that the tax collection agent's obligation to report,
3 collect, and pay taxes on behalf of its operators shall apply
4 solely to transient accommodations located in the State for
5 which booking services were provided by the tax collection
6 agent. For all other business activities not related to the
7 booking services, each operator shall remain subject to all
8 applicable requirements of title 14 as if this section did not
9 apply.

10 (c) If a tax collection agent fails to collect and pay the
11 tax as required under subsection (b), the tax collection agent
12 shall be liable to pay to the State any unpaid portion of the
13 amount of tax that was required to be paid under subsection (b),
14 together with penalties and interest as provided by law.

15 (d) A tax collection agent shall file periodic returns in
16 accordance with section 237-30 and annual returns in accordance
17 with section 237-33. Each annual return required under section
18 237-33 shall include, in a form prescribed by the department of
19 taxation, the following information for each operator on whose
20 behalf the tax collection agent is required to report, collect,
21 or pay over taxes due under this chapter:

22 (1) Name;

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- 1 (2) Social security number or federal employer
- 2 identification number;
- 3 (3) Address of each transient accommodation;
- 4 (4) General excise tax license number;
- 5 (5) Transient accommodations tax registration number;
- 6 (6) Amount of general excise tax paid on behalf of the
- 7 operator; and
- 8 (7) Amount of transient accommodations tax paid on behalf
- 9 of the operator.

10 (e) For the purposes of this section, and unless the

11 context otherwise requires:

12 "Booking service" has the same meaning as in section

13 237D-1.

14 "Hosting platform" has the same meaning as in section

15 237D-1.

16 "Operator" has the same meaning as in section 237D-1.

17 "Tax collection agent" has the same meaning as in section

18 237D-1.

19 "Transient accommodations" has the same meaning as in

20 section 237D-1."

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1 SECTION 2. 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- Hosting platform as tax collection agent.** (a)
5 A hosting platform that earns service fees for providing booking
6 services shall register with the department of taxation as a tax
7 collection agent under this section, as a condition precedent to
8 providing booking services. Upon registration, the department
9 of taxation shall issue to the tax collection agent a separate
10 certificate of registration for its activities in that capacity,
11 with respect to taxes due under this chapter on behalf of its
12 operators and, if applicable, for taxes payable under this
13 chapter for its own business activities. The director of
14 taxation may prescribe the form and manner of registration and
15 may require any information necessary for the administration of
16 this section.

17 (b) In addition to its own responsibilities under this
18 chapter, a tax collection agent shall report, collect, and pay
19 over the taxes due under this chapter on behalf of all operators
20 for whom the tax collection agent provides booking services;
21 provided that the tax collection agent's obligation to report,
22 collect, and pay taxes on behalf of its operators shall apply

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1 solely to transient accommodations located in the State for
2 which booking services were provided by the tax collection
3 agent. For all other business activities not related to the
4 booking services, each operator shall remain subject to all
5 applicable requirements of title 14 as if this section did not
6 apply.

7 (c) If a tax collection agent fails to collect and pay the
8 tax as required under subsection (b), the tax collection agent
9 shall be liable to pay to the State any unpaid portion of the
10 amount of tax that was required to be paid under subsection (b),
11 together with penalties and interest as provided by law.

12 (d) A tax collection agent shall file periodic returns in
13 accordance with section 237D-6 and annual returns in accordance
14 with section 237D-7. Each annual return required under section
15 237D-7 shall include, in a form prescribed by the department of
16 taxation, the following information for each operator on whose
17 behalf the tax collection agent is required to report, collect,
18 or pay over taxes due under this chapter:

- 19 (1) Name;
- 20 (2) Social security number or federal employer
identification number;
- 22 (3) Address of each transient accommodation;

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- 1 (4) General excise tax license number;
- 2 (5) Transient accommodations tax registration number;
- 3 (6) Amount of general excise tax paid on behalf of the
4 operator; and
- 5 (7) Amount of transient accommodations tax paid on behalf
6 of the operator."

7 SECTION 3. Section 231-8.5, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) If the requirements of subsection (c) are satisfied,
10 the department may require electronic filing of any tax return,
11 application, report, or other document required under the
12 provisions of title 14 administered by the department for the
13 following taxpayers:

- 14 (1) For withholding tax filings required under chapter
15 235, only employers whose total tax liability under
16 sections 235-61 and 235-62 for the calendar or fiscal
17 year exceeds \$40,000;
- 18 (2) For income tax filings required under chapter 235,
19 only taxpayers who are subject to tax under section
20 235-71, 235-71.5, or 235-72;
- 21 (3) For general excise tax filings required under chapter
22 237, only taxpayers whose total tax liability under

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1 chapter 237 for the calendar or fiscal year exceeds
2 \$4,000;

3 (4) For transient accommodations tax filings required
4 under chapter 237D, only [operators and plan managers]

5 taxpayers whose total tax liability under chapter 237D
6 for the calendar or fiscal year exceeds \$4,000; and

7 (5) For filings required under the following chapters, all
8 taxpayers subject to tax under those chapters:

9 (A) 236E;

10 (B) 239;

11 (C) 241;

12 (D) 243;

13 (E) 244D;

14 (F) 245; and

15 (G) 251.

16 SECTION 4. Section 237-30.5, Hawaii Revised Statutes, is

17 amended by amending subsection (a) to read as follows:

18 "(a) Every person authorized under an agreement by the

19 owner of real property located within this State to collect rent

20 on behalf of the owner shall be subject to this section [];

21 provided that this section shall not apply to any hosting

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1 platform registered as a tax collection agent under section
2 237- ."

3 SECTION 5. Section 237-41, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§237-41 Records to be kept; examination.** (a) Every
6 taxpayer shall keep in the English language within the State,
7 and preserve for a period of three years, suitable records of
8 gross proceeds of sales and gross income, and such other books,
9 records of account, and invoices as may be required by the
10 department of taxation, and all such books, records, and
11 invoices shall be open for examination at any time by the
12 department or the Multistate Tax Commission pursuant to chapter
13 255, or the authorized representative thereof.

14 (b) Each tax collection agent registered under section
15 237- shall maintain records for each operator for whom the
16 agent provides booking services, including the operator's name,
17 the address of the transient accommodation, the period of
18 occupancy, the gross rental or gross rental proceeds, and the
19 taxes collected and remitted on behalf of the operator. The
20 records shall be preserved and made available for inspection as
21 provided in subsection (a). Nothing in this subsection shall be

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1 construed to diminish or eliminate the responsibilities of
2 taxpayers under this section."

3 SECTION 6. Section 237-41.5, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There shall be personal liability for the taxes
6 imposed under this chapter as provided in this section for the
7 following amounts of gross income or gross proceeds:

8 (1) Any amount collected as a recovery of the taxpayer's
9 liability under this chapter, where the amount is
10 passed on as the tax owed by the taxpayer under this
11 chapter for the transaction and is separately stated
12 or accounted for in a receipt, contract, invoice,
13 billing, or other evidence of the business activity;
14 or

15 (2) An amount equal to the tax liability under this
16 chapter on a transaction where a taxpayer does not
17 separately state or account for the amount as a tax
18 recovery as provided in paragraph (1). For purposes
19 of this paragraph, the amount of the imputed tax
20 liability is the result of multiplying the gross
21 income or gross proceeds received in the transaction
22 by the tax rate[.]; or

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1 (3) Any amount collected by a tax collection agent under
2 section 237-

3 The amounts under paragraphs (1) [and], (2), and (3) shall be
4 held in trust for the benefit of the State and for payment to
5 the State in the manner and at the time required by this
6 chapter."

7 SECTION 7. Section 237D-1, Hawaii Revised Statutes, is
8 amended by adding three new definitions to be appropriately
9 inserted and to read as follows:

10 ~~"Booking service" means any service, including a~~
11 ~~reservation or payment service, provided by a person or entity~~
12 ~~that facilitates a transient accommodations transaction between~~
13 ~~an operator and a prospective transient or occupant, and for~~
14 ~~which the person or entity collects or receives, directly or~~
15 ~~indirectly, through an agent or intermediary, a fee in~~
16 ~~connection with the reservation or payment service provided for~~
17 ~~the transient accommodations transaction.~~

18 ~~"Hosting platform" means a person or entity that~~
19 ~~participates in the transient accommodations business by~~
20 ~~providing, and collecting or receiving a fee for, booking~~
21 ~~services through which an operator may offer transient~~
22 ~~accommodations. "Hosting platform" includes a person or entity~~

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1 that, usually though not necessarily, provides the booking
2 services through an online or digital platform that allows an
3 operator to advertise transient accommodations and enables a
4 renter to arrange, reserve, or pay for the rental of transient
5 accommodations, whether payment is made directly to the operator
6 or through the hosting platform. "Hosting platform" does not
7 include a marketplace facilitator as defined in section 237-4.5.

8 "Tax collection agent" means a person or entity that
9 collects money and taxes from a renter owed to an operator, and
10 the portion of the amounts representing taxes does not
11 constitute the tax collection agent's own income."

12 SECTION 8. Section 237D-8.5, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Every person authorized under an agreement by the
15 owner of transient accommodations located within this State to
16 collect rent on behalf of the owner shall be subject to this
17 section[-]; provided that this section shall not apply to any
18 hosting platform registered as a tax collection agent under
19 section 237D- ."

20 SECTION 9. Section 237D-12, Hawaii Revised Statutes, is
21 amended to read as follows:

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1 "§237D-12 Records to be kept; examination. (a) Every
2 taxpayer shall keep in the English language within the State,
3 and preserve for a period of three years, suitable records of
4 gross rental, gross rental proceeds, or fair market rental value
5 relating to the business taxed under this chapter, and such
6 other books, records of account, and invoices as may be required
7 by the department, and all such books, records, and invoices
8 shall be open for examination at any time by the department or
9 the Multistate Tax Commission pursuant to chapter 255, or the
10 authorized representative thereof.

11 (b) Each tax collection agent registered under section
12 237D- shall maintain records for each operator for whom the
13 agent provides booking services, including the operator's name,
14 the address of the transient accommodation, the period of
15 occupancy, the gross rental or gross rental proceeds, and the
16 taxes collected and remitted on behalf of the operator. The
17 records shall be preserved and made available for inspection as
18 provided in subsection (a). Nothing in this subsection shall be
19 construed to diminish or eliminate the responsibilities of
20 taxpayers under this section."

21 SECTION 10. If any provision of this Act, or the
22 application thereof to any person or circumstance, is held

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1 invalid, the invalidity does not affect other provisions or
2 applications of the Act that can be given effect without the
3 invalid provision or application, and to this end the provisions
4 of this Act are severable.

5 SECTION 11. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 12. This Act, upon its approval, shall take effect
8 on January 1, 2027.

9
10 INTRODUCED BY: Nadine K. Nahm

11 BY REQUEST
JAN 26 2026

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Report Title:

DoTAX; Hosting Platform; Tax Collection Agent; General Excise Tax, Transient Accommodations Tax

Description:

Requires hosting platforms that earn service fees for providing booking services for transient accommodations to register with the Department of Taxation as tax collection agents and report, collect, and remit general excise and transient accommodations taxes on behalf of operators.

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

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JUSTIFICATION SHEET

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO HOSTING PLATFORMS.

PURPOSE: To require hosting platforms that earn service fees for providing booking services for transient accommodations to register with the Department as tax collection agents and report, collect, and remit general excise tax (GET) and transient accommodations tax (TAT) on behalf of operators.

MEANS: Add a new section each to chapters 237 and 237D, Hawaii Revised Statutes (HRS). Amend sections 231-8.5(b), 237-30.5(a), 237-41, 237-41.5(a), 237D-1, 237D-8.5(a), and 237D-12, HRS.

JUSTIFICATION: Despite the Department's enforcement efforts, many short-term rental operators remain out of compliance with their tax obligations. Requiring hosting platforms to register as tax collection agents will improve overall tax compliance by shifting the responsibility for reporting and remitting GET and TAT from thousands of individual operators to a smaller number of hosting platforms.

Impact on the public: The bill will reduce the administrative burden on short-term rental operators who use hosting platforms, and help ensure that taxes are paid accurately and on time. The added burden on hosting platforms is expected to be minimal, as most already collect and remit similar taxes in other jurisdictions and maintain automated systems capable of applying state-specific tax rates and transmitting payments.

Impact on the department and other agencies: Centralizing tax collection through hosting

platforms will simplify processing, auditing, and enforcement for the Department, reducing administrative costs and improving compliance oversight.

GENERAL FUND: Indeterminate.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: January 1, 2027.