

JAN 28 2026

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# A BILL FOR AN ACT

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

**"§237D-      Hosting platform as tax collection agent.    (a)**

A hosting platform that earns service fees for providing booking services shall register with the department of taxation as a tax collection agent under this section, as a condition precedent to providing booking services. Upon registration, the department of taxation shall issue to the tax collection agent a separate certificate of registration for its activities in that capacity, with respect to taxes due under this chapter on behalf of its operators and, if applicable, for taxes payable under this chapter for its own business activities. The director of taxation may prescribe the form and manner of registration and may require any information necessary for the administration of this section.

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

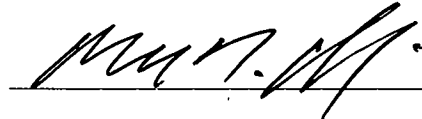
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1 invalid, the invalidity does not affect other provisions or  
2 applications of the Act that can be given effect without the  
3 invalid provision or application, and to this end the provisions  
4 of this Act are severable.

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:

  
\_\_\_\_\_

11 BY REQUEST

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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.*

## 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.