

JAN 23 2026

A BILL FOR AN ACT

RELATING TO GENERAL EXCISE TAX.

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

1 SECTION 1. The legislature finds that there is a need to
2 extend the county surcharge on state general excise taxes, which
3 was enacted by Act 247, Session Laws of Hawaii 2005.

4 SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is
5 amended as follows:

6 1. By amending subsections (b) and (c) to read:

7 "(b) Each county that has established a surcharge on state
8 tax before July 1, 2015, under authority of subsection (a) may
9 extend the surcharge until December 31, [~~2030,~~] 2045, at the
10 same rates. A county electing to extend this surcharge shall do
11 so by ordinance; provided that:

12 (1) No ordinance shall be adopted until the county has
13 conducted a public hearing on the proposed ordinance;
14 and

15 (2) The ordinance shall be adopted before January 1,
16 [~~2018,~~] 2028.



1 A county electing to exercise the authority granted under
2 this subsection shall notify the director of taxation within ten
3 days after the county has adopted an ordinance extending the
4 surcharge on state tax. The director of taxation shall levy,
5 assess, collect, and otherwise administer the extended surcharge
6 on state tax.

7 (c) Each county that has not established a surcharge
8 pursuant to subsection (a) on state tax before July 1, 2015, may
9 establish the surcharge at the rates enumerated in sections
10 237-8.6 and 238-2.6. A county electing to establish this
11 surcharge shall do so by ordinance; provided that:

12 (1) No ordinance shall be adopted until the county has
13 conducted a public hearing on the proposed ordinance;

14 (2) The ordinance shall be adopted before December 31,
15 2023; and

16 (3) No county surcharge on state tax that may be
17 authorized under this subsection shall be levied
18 before January 1, 2019, or after December 31,
19 [~~2030.~~] 2045.

20 A county electing to exercise the authority granted under
21 this subsection shall notify the director of taxation within ten



1 days after the county has adopted a surcharge on state tax
2 ordinance. Beginning on January 1, 2019, January 1, 2020,
3 January 1, 2024, or January 1, 2025, as applicable pursuant to
4 sections 237-8.6 and 238-2.6, the director of taxation shall
5 levy, assess, collect, and otherwise administer the county
6 surcharge on state tax."

7 2. By amending subsection (g) to read:

8 "(g) Each county having a population equal to or less than
9 five hundred thousand that adopts a county surcharge on state
10 tax ordinance pursuant to this section shall use the surcharges
11 received from the State for:

12 (1) Operating or capital costs of public transportation
13 within each county for public transportation systems,
14 including:

- 15 (A) Public roadways or highways;
- 16 (B) Public buses;
- 17 (C) Trains;
- 18 (D) Ferries;
- 19 (E) Pedestrian paths or sidewalks; or
- 20 (F) Bicycle paths;



1 (2) Expenses in complying with the Americans with
2 Disabilities Act of 1990 with respect to paragraph
3 (1); and
4 (3) Housing infrastructure costs; provided that a county
5 that uses surcharge revenues for housing
6 infrastructure shall not pass on those housing
7 infrastructure costs to the developer of a housing
8 project[, ~~provided further that this paragraph shall~~
9 ~~apply only if a county amended its surcharge ordinance~~
10 ~~pursuant to subsection (d) or adopts a county~~
11 ~~surcharge on state tax ordinance after December 31,~~
12 ~~2022,~~
13 ~~provided that each county having a population equal to or less~~
14 ~~than five hundred thousand that adopts a county surcharge on~~
15 ~~state tax ordinance pursuant to this section after December 31,~~
16 ~~2022, shall use the surcharge revenues received from the State~~
17 ~~only for the purposes described in paragraph (3) for county-~~
18 ~~appropriated housing infrastructure costs]."~~

19 SECTION 3. Section 237-8.6, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:



1 "(b) Each county surcharge on state tax that may be
2 adopted, extended, or amended pursuant to section 46-16.8 shall
3 be levied beginning in a taxable year after the adoption of the
4 relevant county ordinance; provided that no surcharge on state
5 tax may be levied:

6 (1) Before:

7 (A) January 1, 2007, if the county surcharge on state
8 tax was established by an ordinance adopted
9 before December 31, 2005;

10 (B) January 1, 2019, if the county surcharge on state
11 tax was established by the adoption of an
12 ordinance after June 30, 2015, but before June
13 30, 2018;

14 (C) January 1, 2020, if the county surcharge on state
15 tax was established by the adoption of an
16 ordinance on or after June 30, 2018, but before
17 March 31, 2019;

18 (D) January 1, 2024, if the county surcharge on state
19 tax was established by the adoption of an
20 ordinance on or after March 31, 2019, but before
21 August 1, 2023; or



1 (E) January 1, 2025, if the county surcharge on state
2 tax was established by the adoption of an
3 ordinance on or after August 1, 2023, but before
4 December 31, 2023; and

5 (2) After December 31, [~~2030~~] 2045."

6 SECTION 4. Act 247, Session Laws of Hawaii 2005, as
7 amended by Act 240, Session Laws of Hawaii 2015, as amended by
8 Act 1, Special Session Laws of Hawaii 2017, is amended by
9 amending section 9 to read as follows:

10 "SECTION 9. This Act shall take effect upon its approval;
11 provided that:

12 (1) If none of the counties of the State adopt an
13 ordinance to levy a county surcharge on state tax by
14 December 31, 2005, this Act shall be repealed and
15 section 437D-8.4, Hawaii Revised Statutes, shall be
16 reenacted in the form in which it read on the day
17 prior to the effective date of this Act;

18 (2) If any county does not adopt an ordinance to levy a
19 county surcharge on state tax by December 31, 2005, it
20 shall be prohibited from adopting such an ordinance
21 pursuant to this Act, unless otherwise authorized by



1 the legislature through a separate legislative act;
2 and

3 (3) If an ordinance to levy a county surcharge on state
4 tax is adopted by December 31, 2005:

5 (A) The ordinance shall be repealed on December 31,
6 2022; provided that the repeal of the ordinance
7 shall not affect the validity or effect of an
8 ordinance to extend a surcharge on state tax
9 adopted pursuant to an act of the legislature;
10 and


11 (B) This Act shall be repealed on December 31,
12 [~~2030;~~] 2045, and section 437D-8.4, Hawaii
13 Revised Statutes, shall be reenacted in the form
14 in which it read on the day prior to the
15 effective date of this Act; provided that the
16 amendments made to section 437D-8.4, Hawaii
17 Revised Statutes, by Act 226, Session Laws of
18 Hawaii 2008, as amended by Act 11, Session Laws
19 of Hawaii 2009, and Act 110, Session Laws of
20 Hawaii 2014, shall not be repealed."



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect upon its approval.

4

INTRODUCED BY: 
By Request



S.B. NO. 2515

Report Title:

Hawaii State Association of Counties Package; County Surcharge on State Tax; GET; Extension

Description:

Authorizes each county that has established a surcharge on state tax before 7/1/2015 to extend the surcharge until 12/31/2045 at the same rates if the county does so before 1/1/2028. Provides that no county surcharge on state tax authorized for a county that has not established a surcharge on state tax before 7/1/2015, shall be levied before 1/1/2019 or after 12/31/2045. Repeals certain conditions on the use of surcharges received from the State for counties having a population equal to or less than 500,000 that adopt a county surcharge on state tax.

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

