
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 237D-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "fair market rental value"
3 to read as follows:

4 "Fair market rental value" means an amount equal to [~~one-~~
5 ~~half~~] _____ the gross daily maintenance fees that are paid by
6 the owner, are attributable to the time share unit, and include
7 maintenance costs, operational costs, insurance, repair costs,
8 administrative costs, taxes, other than transient accommodations
9 taxes, and other costs including payments required for reserves
10 or sinking funds. The taxpayer shall use gross daily
11 maintenance fees, unless the taxpayer proves or the director
12 determines that the gross daily maintenance fees do not fairly
13 represent fair market rental value taking into account
14 comparable transient accommodation rentals or other appraisal
15 methods."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken.

18 SECTION 3. This Act shall take effect on July 1, 2020.



H.B. NO. 1026

Report Title:

Income tax

Description:

Defines "fair market value" under the TAT to be an unspecified amount of the gross daily maintenance fees, instead of half of the fees. (HB1026 HD1)

