
A BILL FOR AN ACT

RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX.

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

1 SECTION 1. The legislature finds that there was a
2 significant increase in revenues to the state general fund in
3 2005. This increase is expected to continue through 2007 and
4 probably longer in view of Hawaii's positive tourism outlook.

5 In light of a healthy general fund along with significant
6 increases in revenues to the state highway fund, the legislature
7 finds that it is fair and appropriate to reduce the rental motor
8 vehicle surcharge tax.

9 Enacted by Act 263, Session Laws of Hawaii (SLH) 1991, the
10 rental motor vehicle surcharge tax was originally \$2 per day.
11 Act 223, SLH 1999, temporarily raised this tax to \$3 per day for
12 the period from September 1, 1999, to August 31, 2007.

13 The legislature further finds that the \$3 daily surcharge
14 tax on rental motor vehicles does not help Hawaii's competitive
15 image as a fair and attractive tourist destination.

16 The purpose of this Act is to reduce the \$3 per day rental
17 motor vehicle surcharge tax to \$2 per day.



1 SECTION 2. 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 \$2 a day[~~7~~
5 ~~except that for the period of September 1, 1999, to August 31,~~
6 ~~2007, the tax shall be \$3 a day,~~] or any portion of a day that a
7 rental motor vehicle is rented or leased. The rental motor
8 vehicle surcharge tax shall be levied upon the lessor; provided
9 that the tax shall not be levied on the lessor if:

- 10 (1) The lessor is renting the vehicle to replace a vehicle
11 of the lessee that is being repaired; and
12 (2) The repair order for the vehicle is retained by the
13 lessor for [~~four~~] two years for verification purposes
14 unless such records are maintained by a motor vehicle
15 repair dealer for two years as provided for in section
16 437B-16."

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken.

19 SECTION 4. This Act shall take effect on July 1, 2020.



HB 2214

HD1

Report Title:

Rental Motor Vehicle Surcharge Tax

Description:

Repeals increase in the rental motor vehicle surcharge tax levied between September 1, 1999 and August 31, 2007. (HB2214 HD1)

