
A BILL FOR AN ACT

RELATING TO BOATING.

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

1 SECTION 1. Section 237-31, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§237-31 Remittances.** All remittances of taxes imposed by
4 this chapter shall be made by money, bank draft, check,
5 cashier's check, money order, or certificate of deposit to the
6 office of the department of taxation to which the return was
7 transmitted. The department shall issue its receipts therefor
8 to the taxpayer and shall pay the moneys into the state treasury
9 as a state realization, to be kept and accounted for as provided
10 by law; provided that:

11 (1) The sum from all general excise tax revenues realized
12 by the State that represents the difference between
13 \$45,000,000 and the proceeds from the sale of any
14 general obligation bonds authorized for that fiscal
15 year for the purposes of the state educational
16 facilities improvement special fund shall be deposited
17 in the state treasury in each fiscal year to the



1 credit of the state educational facilities improvement
2 special fund;

3 (2) A sum, not to exceed \$5,000,000, from all general
4 excise tax revenues realized by the State shall be
5 deposited in the state treasury in each fiscal year to
6 the credit of the compound interest bond reserve fund;
7 and

8 [~~(3) A sum, not to exceed the amount necessary to meet the
9 obligations of the integrated tax information
10 management systems performance-based contract may be
11 retained and deposited in the state treasury to the
12 credit of the integrated tax information management
13 systems special fund. The sum retained by the
14 director of taxation for deposit to the integrated tax
15 information management systems special fund for each
16 fiscal year shall be limited to amounts appropriated
17 by the legislature. This paragraph shall be repealed
18 on July 1, 2005.]~~

19 (3) Beginning July 1, 2006, and each fiscal year
20 thereafter, a sum equal to _____ per cent of the
21 general excise tax revenues received from the direct
22 revenues generated by the ocean recreation industry



1 during the preceding fiscal year shall be deposited in
2 the state treasury to the credit of the boating
3 special fund established pursuant to section 248-8 to
4 supplement general revenues for the payment of costs
5 enumerated under section 200-8. For the purposes of
6 this paragraph, "direct revenues generated by the
7 ocean recreation industry" includes taxable revenue
8 generated by the following businesses:

9 (A) Tour boats and cruise ship operators;

10 (B) Recreational fishing tour operators;

11 (C) Surf shops and surfboard manufacturers;

12 (D) Personal boat sales;

13 (E) Competitive ocean recreation-related events such
14 as yacht racing, ocean swims/triathlons, surfing
15 contests, and canoe races;

16 (F) Dive shop tour operators;

17 (G) Charter boat fishing operators;

18 (H) Billfish tournaments;

19 (I) Jet ski tour operators;

20 (J) Parasailing tour operators;

21 (K) Kayak tour operators; and

22 (L) Windsurfing tour operators."



1 SECTION 2. Section 248-8, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§248-8 Special funds in treasury of State.** There are
4 created in the treasury of the State three special funds to be
5 known, respectively, as the state highway fund, the airport
6 revenue fund, and the boating special fund. All taxes collected
7 under chapter 243 in each calendar year, except the "county of
8 Hawaii fuel tax", "city and county of Honolulu fuel tax",
9 "county of Maui fuel tax", and "county of Kauai fuel tax", shall
10 be deposited in the state highway fund; provided that:

11 (1) All taxes collected under chapter 243 with respect to
12 gasoline or other aviation fuel sold for use in or
13 used for airplanes shall be set aside in the airport
14 revenue fund; and

15 (2) All taxes collected under chapter 243 with respect to
16 liquid fuel sold for use in or used for small boats
17 shall be deposited in the boating special fund.

18 As used in this section, "small boats" means all vessels
19 and other watercraft except those operated in overseas
20 transportation beyond the State, and ocean-going tugs and
21 dredges. The chairperson of the board of land and natural
22 resources, from July 1, 1992, and every three years thereafter,



1 shall establish standards or formulas that will as equitably as
2 possible establish the total taxes collected under chapter 243
3 in each fiscal year that are derived from the sale of liquid
4 fuel for use in or used for small boats. The amount so
5 determined shall be deposited in the boating special fund. The
6 amounts received pursuant to section 237-31(3) shall be
7 deposited into the boating special fund.

8 An amount equal to 0.3 per cent of the highway fuel tax but
9 not more than \$250,000 collected under chapter 243 shall be
10 allocated each fiscal year to the special land and development
11 fund for purposes of the management, maintenance, and
12 development of trails and trail accesses under the jurisdiction
13 of the department of land and natural resources established
14 under section 198D-2. "

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect on July 1, 2060.



Report Title:

Ocean Recreation; Taxation

Description:

Requires the Department of Taxation to deposit an amount equivalent to % of the general excise tax revenues received from the direct revenues generated by the ocean recreation industry during the preceding fiscal year into the boating special fund. (SD1)

