

Report Title:

Taxation; Rental Vehicle Surcharge

Description:

Makes permanent the \$3 rental motor vehicle surcharge tax; raises the tour vehicle surcharge tax to unspecified amounts; appropriates an unspecified amount from the state highway fund. (SD1)

THE SENATE
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

S.B. NO. ³⁰⁵
S.D. 1

A BILL FOR AN ACT

relating to Taxation.

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

Section 1. The purpose of this Act is to maintain a \$3 rental motor vehicle surcharge tax and to raise the tour vehicle surcharge taxes to unspecified amounts.

SECTION 2. Section 251-2, Hawaii Revised Statutes, is amended to read as follows:

"§251-2 Rental motor vehicle and tour vehicle surcharge tax.

(a) There is levied and shall be assessed and collected each month a rental motor vehicle surcharge tax of [~~\$2 a day, except that for the period of September 1, 1999, to August 31, 2007, the tax shall be~~] \$3 a day, or any portion of a day that a rental motor vehicle is rented or leased. The rental motor vehicle surcharge tax shall be levied upon the lessor; provided that the tax shall not be levied on the

lessor if:

(1) The lessor is renting the vehicle to replace a vehicle of the lessee that is being repaired; and

(2) A record of the repair order for the vehicle is retained either by the lessor for two years for verification purposes or by a motor vehicle repair dealer for two years as provided in section 437B•16.

(b) There is levied and shall be assessed and collected each month a tour vehicle surcharge tax of:

(1) [~~\$65~~] \$___ for each tour vehicle used or partially used during the month that falls into the over twenty-five passenger seat category; and

(2) [~~\$15~~] \$___ for each tour vehicle used or partially used during the month that falls into the eight to twenty-five passenger seat category.

The tour vehicle surcharge tax shall be levied upon the tour vehicle operator."

SECTION 3. There is appropriated out of the state highway fund the sum of \$ _____, or so much thereof as may be necessary for fiscal year 2007-2008, and the same sum, or so much thereof as may be necessary for fiscal year 2008-2009, for the purposes of the state highway fund.

The sums appropriated shall be expended by the department of transportation for the purposes of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.