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# A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1           SECTION 1. The purpose of this Act is to temporarily  
2 suspend the distribution of transient accommodations tax  
3 revenues to the counties.

4           SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is  
5 amended to read as follows:

6           "**§237D-6.5 Remittances; distribution to counties.** (a)

7 All remittances of taxes imposed under this chapter shall be  
8 made by cash, bank drafts, cashier's check, money order, or  
9 certificate of deposit to the office of the taxation district to  
10 which the return was transmitted.

11           (b) Revenues collected under this chapter shall be  
12 distributed as follows, with the excess revenues to be deposited  
13 into the general fund:

14           (1) 17.3 per cent of the revenues collected under this  
15 chapter shall be deposited into the convention center  
16 enterprise special fund established under section  
17 201B-8; provided that beginning January 1, 2002, if  
18 the amount of the revenue collected under this



1 paragraph exceeds \$33,000,000 in any calendar year,  
2 revenues collected in excess of \$33,000,000 shall be  
3 deposited into the general fund;

4 (2) 34.2 per cent of the revenues collected under this  
5 chapter shall be deposited into the tourism special  
6 fund established under section 201B-11 for tourism  
7 promotion and visitor industry research; provided that  
8 beginning on July 1, 2002, of the first \$1,000,000 in  
9 revenues deposited:

10 (A) Ninety per cent shall be deposited into the state  
11 parks special fund established in section 184-  
12 3.4; and

13 (B) Ten per cent shall be deposited into the special  
14 land and development fund established in section  
15 171-19 for the Hawaii statewide trail and access  
16 program;

17 provided that of the 34.2 per cent, 0.5 per cent shall  
18 be transferred to a sub-account in the tourism special  
19 fund to provide funding for a safety and security  
20 budget, in accordance with the Hawaii tourism  
21 strategic plan 2005-2015; provided further that of the  
22 revenues remaining in the tourism special fund after



1 revenues have been deposited as provided in this  
2 paragraph and except for any sum authorized by the  
3 legislature for expenditure from revenues subject to  
4 this paragraph, beginning July 1, 2007, funds shall be  
5 deposited into the tourism emergency trust fund,  
6 established in section 201B-10, in a manner sufficient  
7 to maintain a fund balance of \$5,000,000 in the  
8 tourism emergency trust fund; and

- 9 (3) Except as provided in subsection (d), 44.8 per cent of  
10 the revenues collected under this chapter shall be  
11 transferred as follows: Kauai county shall receive  
12 14.5 per cent, Hawaii county shall receive 18.6 per  
13 cent, city and county of Honolulu shall receive 44.1  
14 per cent, and Maui county shall receive 22.8 per cent.

15 All transient accommodations taxes shall be paid into the  
16 state treasury each month within ten days after collection and  
17 shall be kept by the state director of finance in special  
18 accounts for distribution as provided in this subsection.

19 (c) On or before January or July 1 of each year or after  
20 the disposition of any tax appeal with respect to an assessment  
21 for periods after June 30, 1990, the state director of finance  
22 shall compute and pay the amount due as provided in subsection



1 (b) to the director of finance of each county to become a  
 2 general realization of the county expendable as such, except as  
 3 otherwise provided by law.

4 (d) Subsection (b)(3), with regard to transfer of revenues  
 5 to the counties, and subsection (c), with regard to computation  
 6 and payment to the counties, shall not be operative from July 1,  
 7 2009 to June 30, 2015. During the period that subsection (b)(3)  
 8 is not operative, the remainder of the revenues collected shall  
 9 be deposited into the state general fund."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY: Cheryl M. Bay  
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**Report Title:**

Transient Accommodations Tax; Suspension of Distribution to Counties

**Description:**

Suspends for 6 years from 07/01/2009 to 06/30/2015 the distribution of transient accommodations tax revenues to the counties.

