
A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The purposes of this Act are to:

2 (1) Require the transient accommodations tax to be
3 assessed and collected at a minimum rate of \$8 per
4 day; and

5 (2) Place a limit on the amount of transient
6 accommodations tax revenues distributed to the
7 counties for the period of July 1, 2010, through
8 June 30, 2015.

9 SECTION 2. Section 237D-2, Hawaii Revised Statutes, is
10 amended by amending subsections (a) and (b) to read as follows:

11 "(a) There is levied and shall be assessed and collected
12 each month a tax of:

13 (1) Five per cent for the period beginning on January 1,
14 1987, to June 30, 1994;

15 (2) Six per cent for the period beginning July 1, 1994, to
16 December 31, 1998; and

17 (3) 7.25 per cent for the period beginning on January 1,
18 1999, and thereafter;



1 on the gross rental or gross rental proceeds derived from
2 furnishing transient accommodations[-]; provided that, beginning
3 July 1, 2010, the tax assessed and collected shall be either the
4 amount calculated using the rate of \$8 per day or the amount
5 calculated using the rate specified in paragraph (3), whichever
6 is higher.

7 (b) There is levied and shall be assessed and collected
8 each month an additional:

9 (1) One per cent for the period beginning July 1, 2009, to
10 June 30, 2010; and

11 (2) Two per cent for the period beginning July 1, 2010, to
12 June 30, 2015;

13 on the gross rental or gross rental proceeds derived from
14 furnishing transient accommodations. The rate levied and
15 assessed under this subsection shall be additional to the rate
16 levied and assessed under [~~section 237D-2(a)(3).~~] subsection
17 (a)."

18 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
19 amended by amending subsections (b) and (c) to read as follows:

20 "(b) Revenues collected under this chapter, except for
21 revenues collected under section 237D-2(b), shall be distributed

1 as follows, with the excess revenues to be deposited into the
2 general fund:

3 (1) 17.3 per cent of the revenues collected under this
4 chapter shall be deposited into the convention center
5 enterprise special fund established under section
6 201B-8; provided that beginning January 1, 2002, if
7 the amount of the revenue collected under this
8 paragraph exceeds \$33,000,000 in any calendar year,
9 revenues collected in excess of \$33,000,000 shall be
10 deposited into the general fund;

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

17 (A) Ninety per cent shall be deposited into the state
18 parks special fund established in section
19 184-3.4; and

20 (B) Ten per cent shall be deposited into the special
21 land and development fund established in section



1 171-19 for the Hawaii statewide trail and access
2 program;
3 provided that of the 34.2 per cent, 0.5 per cent shall
4 be transferred to a sub-account in the tourism special
5 fund to provide funding for a safety and security
6 budget, in accordance with the Hawaii tourism
7 strategic plan 2005-2015; provided further that of the
8 revenues remaining in the tourism special fund after
9 revenues have been deposited as provided in this
10 paragraph and except for any sum authorized by the
11 legislature for expenditure from revenues subject to
12 this paragraph, beginning July 1, 2007, funds shall be
13 deposited into the tourism emergency trust fund,
14 established in section 201B-10, in a manner sufficient
15 to maintain a fund balance of \$5,000,000 in the
16 tourism emergency trust fund; and
17 (3) 44.8 per cent or \$94,355,000, whichever is less, of
18 the revenues collected under this chapter shall be
19 transferred as follows: Kauai county shall receive
20 14.5 per cent, Hawaii county shall receive 18.6 per
21 cent, city and county of Honolulu shall receive 44.1
22 per cent, and Maui county shall receive 22.8 per cent.



1 Revenues collected under section 237D-2(b) shall be
2 deposited into the general fund. All transient accommodations
3 taxes shall be paid into the state treasury each month within
4 ten days after collection and shall be kept by the state
5 director of finance in special accounts for distribution as
6 provided in this subsection.

7 (c) On or before January or July 1 of each year or after
8 the disposition of any tax appeal with respect to an assessment
9 for periods after June 30, 1990, the state director of finance
10 shall compute and pay the amount due as provided in this
11 subsection and subsection (b) to the director of finance of each
12 county to become a general realization of the county expendable
13 as such, except as otherwise provided by law.

14 Until June 30, 2015, the state director of finance shall
15 compute the amount due to the counties by January 1 of each
16 fiscal year on the assumption that the counties' share of the
17 transient accommodations tax revenues for that fiscal year shall
18 be \$94,355,000. As to the amount due to the counties before the
19 following July 1, the state director of finance shall pay the
20 same amount; except that, if based on the actual transient
21 accommodations tax revenues derived during the fiscal year, the
22 counties' share for the entire fiscal year is less than



1 \$94,355,000, the state director of finance shall pay the
2 counties an appropriately adjusted amount."

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

5 SECTION 5. This Act shall take effect on July 1, 2010, and
6 shall be repealed on June 30, 2015; provided that section
7 237D-6.5, Hawaii Revised Statutes, shall be reenacted in the
8 form in which it existed on the day prior to the effective date
9 of Act 61, Session Laws of Hawaii 2009.



Report Title:

Transient Accommodations Tax; Minimum Rate; Limitation on
Distribution to Counties

Description:

Requires the transient accommodations tax to be assessed and
collected at a minimum rate of \$8 per day; places a limit on the
amount of transient accommodations tax revenues distributed to
the counties from July 1, 2010, through June 30, 2015. (SD1)

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not legislation or evidence of legislative intent.*

