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## A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. 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,  
5 except that for the period of September 1, 1999, to August 31,  
6 2011, 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) A record of the repair order for the vehicle is  
13 retained either by the lessor for two years for  
14 verification purposes or by a motor vehicle repair  
15 dealer for two years as provided in section 437B-  
16 16[-]; or

17           (3) The lessor is renting an electric vehicle.



1        For the purpose of this subsection, the term "electric  
2 motor vehicle" means a motor vehicle that is propelled to a  
3 significant extent by an electric motor that draws electricity  
4 from a battery that:

5        (1) Has a capacity or not less than four kilowatt hours;

6        and

7        (2) Is capable of being recharged from an external source  
8 of electricity."

9        SECTION 2. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11        SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

JAN 26 2010



**Report Title:**

Rental Motor Vehicle Surcharge Tax; Electric Vehicles

**Description:**

Exempts lessors from the rental motor vehicle surcharge tax when renting an electric vehicle.

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