
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 248-2.6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[\$248-2.6] **County surcharge on state tax; disposition of**
4 **proceeds.** (a) If adopted by county ordinance, all county
5 surcharges on state tax collected by the director of taxation
6 shall be paid into the state treasury quarterly, within ten
7 working days after collection, and shall be placed by the
8 director of finance in special accounts. Out of the revenues
9 generated by county surcharges on state tax paid into each
10 respective state treasury special account, the director of
11 finance shall deduct ten per cent of the gross proceeds of a
12 respective county's surcharge on state tax to reimburse the
13 State for the costs of assessment, collection, and disposition
14 of the county surcharge on state tax incurred by the State.
15 Amounts retained shall be general fund realizations of the
16 State.

17 (b) The amounts deducted for costs of assessment,
18 collection, and disposition of county surcharges on state tax



1 shall be withheld from payment to the counties by the State out
2 of the county surcharges on state tax collected for the current
3 calendar year.

4 (c) For the purpose of this section, the costs of
5 assessment, collection, and disposition of the county surcharges
6 on state tax shall include any and all costs, direct or
7 indirect, that are deemed necessary and proper to effectively
8 administer this section and sections 237-8.6 and 238-2.6.

9 (d) After the deduction and withholding of the costs under
10 subsections (a) and (b), the director of finance shall pay the
11 remaining balance on [a] quarterly basis to the director of
12 finance of each county that has adopted a county surcharge on
13 state tax under section 46-16.8. The quarterly payments shall
14 be made after the county surcharges on state tax have been paid
15 into the state treasury special accounts or after the
16 disposition of any tax appeal, as the case may be. All county
17 surcharges on state tax collected shall be distributed by the
18 director of finance to the county in which the county surcharge
19 on state tax is generated and shall be a general fund
20 realization of the county, to be used for the purposes specified
21 in section 46-16.8 by each of the counties[-]; provided that,
22 notwithstanding any other provision of the law, for calendar



1 years 2010 and 2011, quarterly payments to the directors of
2 finance of each county that has adopted a county surcharge on
3 state tax under section 46-16.8 shall be suspended and all
4 county surcharges on state taxes shall not be distributed to the
5 county in which the county surcharge on state tax is generated,
6 and shall instead be retained by the director of finance and
7 amounts so retained shall become general fund realizations of
8 the state."

9 SECTION 2. Act 247, Session Laws of Hawaii 2005, is
10 amended by amending section 9 to read as follows:

11 "SECTION 9. This Act shall take effect upon its approval;
12 provided that:

13 (1) If none of the counties of the State adopt an
14 ordinance to levy a county surcharge on state tax by
15 December 31, 2005, this Act shall be repealed and
16 section 437D-8.4, Hawaii Revised Statutes, shall be
17 reenacted in the form in which it read on the day
18 prior to the effective date of this Act;

19 (2) If any county does not adopt an ordinance to levy a
20 county surcharge on state tax by December 31, 2005, it
21 shall be prohibited from adopting such an ordinance



1 pursuant to this Act, unless otherwise authorized by
2 the legislature through a separate legislative act;

3 (3) If an ordinance to levy a county surcharge on state
4 tax is adopted by December 31, 2005:

5 (A) The ordinance shall be repealed on December 31,
6 [2022] 2024;

7 (B) This Act shall be repealed on December 31, [2022]
8 2024; and

9 (C) Section 437D-8.4, Hawaii Revised Statutes, shall
10 be reenacted in the form in which it read on the
11 day prior to the effective date of this Act."

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

14 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Suzanne Mammoto

JAN 13 2010



Report Title:

Taxation

Description:

Temporarily retains county surcharge on state taxes for two years as state general fund realizations and extends authority for county surcharge on state taxes for two additional calendar years.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

