
A BILL FOR AN ACT

RELATING TO COUNTY BUDGETS.

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

1 SECTION 1. The legislature finds that the counties were
2 authorized by Act 247, Session Laws of Hawaii 2005, to impose a
3 surcharge on state general excise and use taxes. Part of the
4 surcharges imposed by the city and county of Honolulu is to be
5 used to fund a mass transit project. Under current law, ten per
6 cent of the funds collected are deducted by the director of
7 finance as reimbursement for the State's costs of assessment,
8 collection, and disposition of the surcharges. The legislature
9 further finds that reducing the amount of the reimbursement to
10 five per cent would still provide more than sufficient funds to
11 cover present and foreseeable costs incurred by the State.

12 The purpose of this Act is to reduce the annual county
13 reimbursement to the State from gross proceeds of the county's
14 surcharge on state general excise and use taxes from ten per
15 cent to five per cent.

16 SECTION 2. Section 248-2.6, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:



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

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 Statutory material to be repealed is bracketed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

15 SECTION 4. This Act shall take effect on July 1, 2011.

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INTRODUCED BY:

Carly

[Signature]
Bob
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Jan F. John
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H.B. NO. 1467

Report Title:

County Surcharge on State Tax; Reimbursement to State

Description:

Reduces annual county reimbursement to the State from gross proceeds of the county's surcharge on state tax from 10% to 5%. Effective 7/1/11.

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