
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 237D-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to read:

4 "Resort fee" means any additional fee, charge, surcharge,
5 levy, assessment, or sum collected by an operator to defray the
6 cost of maintaining facilities or amenities used in common or
7 jointly with another operator."

8 2. By amending the definition of "gross rental" or "gross
9 rental proceeds" to read:

10 "Gross rental" or "gross rental proceeds" means the gross
11 receipts, cash or accrued, of the taxpayer received as
12 compensation for the furnishing of transient accommodations and
13 the value proceeding or accruing from the furnishing of such
14 accommodations, including resort fees, without any deductions on
15 account of the cost of property or services sold, the cost of
16 materials used, labor cost, taxes, royalties, interest,
17 discounts, or any other expenses whatsoever. Every taxpayer
18 shall be presumed to be dealing on a cash basis unless the

1 taxpayer proves to the satisfaction of the department of
2 taxation that the taxpayer is dealing on an accrual basis and
3 the taxpayer's books are so kept, or unless the taxpayer employs
4 or is required to employ the accrual basis for the purposes of
5 the tax imposed by chapter 237 for any taxable year in which
6 event the taxpayer shall report the taxpayer's gross income for
7 the purposes of this chapter on the accrual basis for the same
8 period.

9 The words "gross rental" or "gross rental proceeds" shall
10 not be construed to include the amounts of taxes imposed by
11 chapter 237 or this chapter on operators of transient
12 accommodations and passed on, collected, and received from the
13 consumer as part of the receipts received as compensation for
14 the furnishing of transient accommodations. Where transient
15 accommodations are furnished through arrangements made by a
16 travel agency or tour packager at noncommissionable negotiated
17 contract rates and the gross income is divided between the
18 operator of transient accommodations on the one hand and the
19 travel agency or tour packager on the other hand, gross rental
20 or gross rental proceeds to the operator means only the
21 respective portion allocated or distributed to the operator, and
22 no more. For purposes of this definition, where the operator

1 maintains a schedule of rates for identifiable groups of
2 individuals, such as kamaainas, upon which the accommodations
3 are leased, let, or rented, gross rental or gross rental
4 proceeds means the receipts collected and received based upon
5 the scheduled rates and recorded as receipts in its books and
6 records."

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

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

11 (1) Five per cent for the period beginning on January 1,
12 1987, to June 30, 1994;

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

15 (3) 7.25 per cent for the period beginning on January 1,
16 1999, and thereafter;

17 on the gross rental or gross rental proceeds derived from
18 furnishing transient accommodations[-]; provided that, beginning
19 July 1, 2013, the tax assessed and collected shall be \$4 per day
20 per unit.

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

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

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

5 on the gross rental or gross rental proceeds derived from
6 furnishing transient accommodations. The rate levied and
7 assessed under this subsection shall be additional to the rate
8 levied and assessed under [~~section 237D-2(a)(3).~~] subsection
9 (a)."

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

12 SECTION 4. This Act shall take effect on July 1, 2011;
13 provided that the amendments made to section 237D-2, Hawaii
14 Revised Statutes, by section 2 of this Act shall take effect on
15 July 1, 2013, and shall not be repealed when that section is
16 reenacted on June 30, 2015, pursuant to section 4 of Act 61,
17 Session Laws of Hawaii 2009.

Report Title:

Transient Accommodations Tax; Minimum

Description:

Imposes the transient accommodations tax on resort fees.
Provides that the transient accommodation tax shall be assessed and collected at a minimum rate of \$4 per day per unit.
(Proposed HD2)

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