

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** MISCELLANEOUS, Passenger facility charge

**BILL NUMBER:** SB 1327, HD-1

**INTRODUCED BY:** House Committee on Transportation

**BRIEF SUMMARY:** Amends HRS section 261-5.5 (c) to allow the department of transportation to assess passenger facility charges (PFC) as authorized under 49 United States code section 40117 and as provided under 14 Code of Federal Regulations Part 158 for overseas or international passengers who use a state airport without regard to the provisions of HRS chapter 91. Requires the department of transportation to establish the PFC in accordance with applicable federal laws and regulations. Clarifies that no PFC shall be assessed on any flight segment between two airports within the state.

**EFFECTIVE DATE:** July 1, 2011

**STAFF COMMENTS:** This was an administration measure submitted by the department of transportation TRN-13(11). This measure would allow the department of transportation to adjust the amount of the federally authorized PFC without the administrative "paperwork" of HRS chapter 91. While the amount of the PFC is established on the federal level, this would allow the department of transportation to collect the maximum amount of the fee on a timely basis.

Digested 3/28/11