
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to temporarily place
2 a limit on the amount of transient accommodations tax revenues
3 distributed to the counties. The limit is the lesser of the
4 following: 44.8 per cent or \$101,978,000 of the transient
5 accommodations tax revenues collected in a fiscal year. The
6 figure, \$101,978,000, represents the amount of transient
7 accommodations tax revenues distributed to the counties in
8 fiscal year 2009-2010, the last year for which actual data is
9 available to the legislature.

10 This Act takes effect on July 1, 2011, and sunsets on June
11 30, 2015.

12 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
13 amended by amending subsections (b) and (c) to read as follows:

14 "(b) Revenues collected under this chapter, except for
15 revenues collected under section 237D-2(b), shall be distributed
16 as follows, with the excess revenues to be deposited into the
17 general fund:



1 (1) 17.3 per cent of the revenues collected under this
2 chapter shall be deposited into the convention center
3 enterprise special fund established under section
4 201B-8; provided that beginning January 1, 2002, if
5 the amount of the revenue collected under this
6 paragraph exceeds \$33,000,000 in any calendar year,
7 revenues collected in excess of \$33,000,000 shall be
8 deposited into the general fund;

9 (2) 34.2 per cent of the revenues collected under this
10 chapter shall be deposited into the tourism special
11 fund established under section 201B-11 for tourism
12 promotion and visitor industry research; provided that
13 beginning on July 1, 2002, of the first \$1,000,000 in
14 revenues deposited:

15 (A) Ninety per cent shall be deposited into the state
16 parks special fund established in section 184-
17 3.4; and

18 (B) Ten per cent shall be deposited into the special
19 land and development fund established in section
20 171-19 for the Hawaii statewide trail and access
21 program;



1 provided that of the 34.2 per cent, 0.5 per cent shall
2 be transferred to a sub-account in the tourism special
3 fund to provide funding for a safety and security
4 budget, in accordance with the Hawaii tourism
5 strategic plan 2005-2015; provided further that of the
6 revenues remaining in the tourism special fund after
7 revenues have been deposited as provided in this
8 paragraph and except for any sum authorized by the
9 legislature for expenditure from revenues subject to
10 this paragraph, beginning July 1, 2007, funds shall be
11 deposited into the tourism emergency trust fund,
12 established in section 201B-10, in a manner sufficient
13 to maintain a fund balance of \$5,000,000 in the
14 tourism emergency trust fund; and

- 15 (3) 44.8 per cent or \$101,978,000, whichever is less, of
16 the revenues collected under this chapter shall be
17 transferred as follows: Kauai county shall receive
18 14.5 per cent, Hawaii county shall receive 18.6 per
19 cent, city and county of Honolulu shall receive 44.1
20 per cent, and Maui county shall receive 22.8 per cent.

21 Revenues collected under section 237D-2(b) shall be
22 deposited into the general fund. All transient accommodations



1 taxes shall be paid into the state treasury each month within
2 ten days after collection and shall be kept by the [~~state~~]
3 director of finance in special accounts for distribution as
4 provided in this subsection.

5 (c) On or before January or July 1 of each year or after
6 the disposition of any tax appeal with respect to an assessment
7 for periods after June 30, 1990, the [~~state~~] director of finance
8 shall compute and pay the amount due as provided in this
9 subsection and subsection (b) to the director of finance of each
10 county to become a general realization of the county expendable
11 as such, except as otherwise provided by law.

12 Until June 30, 2015, the director of finance shall compute
13 the amount due to the counties by January 1 of each fiscal year
14 on the assumption that the counties' share of the transient
15 accommodations tax revenues for that fiscal year shall be
16 \$101,978,000. As to the amount due to the counties before the
17 following July 1, the director of finance shall pay the same
18 amount; provided that, if based on the actual transient
19 accommodations tax revenues derived during the fiscal year, the
20 counties' share for the entire fiscal year is less than
21 \$101,978,000, the director of finance shall pay the counties an
22 appropriately adjusted amount."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2011, and
4 shall be repealed on June 30, 2015; provided that section 237D-
5 6.5(b), Hawaii Revised Statutes, shall be reenacted in the form
6 in which it read on the day prior to the effective date of Act
7 61, Session Laws of Hawaii 2009, and section 237D-6.5(c) shall
8 be reenacted in the form in which it read on the day prior to
9 the effective date of this Act.



Report Title:

Transient Accommodations Tax; Limitation on Distribution to Counties

Description:

Places a temporary limit on the amount of transient accommodations tax revenues distributed to the counties. Effective July 1, 2011 and sunsets June 30, 2015. (HB795 HD1)

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

