
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The purpose of this Act is to temporarily
2 increase the transient accommodations tax rate on resort time
3 share vacation units to the same rate that is imposed on the
4 gross rental or gross rental proceeds derived from furnishing
5 transient accommodations.

6 SECTION 2. Section 237D-2, Hawaii Revised Statutes, is
7 amended by amending subsection (d) to read as follows:

8 "(d) For resort time share vacation units:

9 (1) There is levied and shall be assessed and collected
10 each month on the occupant of a resort time share
11 vacation unit, a transient accommodations tax of 7.25
12 per cent on the fair market rental value[-]; and

13 (2) For the period beginning July 1, 2011, to June 30,
14 2015, there is levied and shall be assessed and
15 collected each month on the occupant of a resort time
16 share vacation unit an additional two per cent on the
17 fair market rental value."



1 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Revenues collected under this chapter, except for
4 revenues collected under section 237D-2(b) [~~7~~] and (d) (2), shall
5 be distributed as follows, with the excess revenues to be
6 deposited into the general fund:

7 (1) 17.3 per cent of the revenues collected under this
8 chapter shall be deposited into the convention center
9 enterprise special fund established under section
10 201B-8; provided that beginning January 1, 2002, if
11 the amount of the revenue collected under this
12 paragraph exceeds \$33,000,000 in any calendar year,
13 revenues collected in excess of \$33,000,000 shall be
14 deposited into the general fund;

15 (2) 34.2 per cent of the revenues collected under this
16 chapter shall be deposited into the tourism special
17 fund established under section 201B-11 for tourism
18 promotion and visitor industry research; provided that
19 [beginning]:

20 (A) Beginning on July 1, 2002, of the first
21 \$1,000,000 in revenues deposited:



1 ~~[(A)]~~ (i) Ninety per cent shall be deposited into the
 2 state parks special fund established in
 3 section 184-3.4; and

4 ~~[(B)]~~ (ii) Ten per cent shall be deposited into the
 5 special land and development fund
 6 established in section 171-19 for the Hawaii
 7 statewide trail and access program;

8 ~~[provided that of]~~

9 (B) Of the 34.2 per cent, 0.5 per cent shall be
 10 transferred to a sub-account in the tourism
 11 special fund to provide funding for a safety and
 12 security budget, in accordance with the Hawaii
 13 tourism strategic plan 2005-2015; ~~[provided~~
 14 ~~further that of]~~; and

15 (C) Of the revenues remaining in the tourism special
 16 fund after revenues have been deposited as
 17 provided in this paragraph and except for any sum
 18 authorized by the legislature for expenditure
 19 from revenues subject to this paragraph,
 20 beginning July 1, 2007, funds shall be deposited
 21 into the tourism emergency trust fund,
 22 established in section 201B-10, in a manner



1 sufficient to maintain a fund balance of
 2 \$5,000,000 in the tourism emergency trust fund;
 3 [and]

4 (3) 44.8 per cent of the revenues collected under this
 5 chapter shall be transferred as follows: Kauai county
 6 shall receive 14.5 per cent, Hawaii county shall
 7 receive 18.6 per cent, city and county of Honolulu
 8 shall receive 44.1 per cent, and Maui county shall
 9 receive 22.8 per cent ~~[and]~~ and

10 (4) Revenues collected under ~~[section]~~:

11 (A) Section 237D-2(b); and

12 (B) Section 237D-2(d)(2) from July 1, 2011 to June
 13 30, 2015;

14 shall be deposited into the general fund.

15 All transient accommodations taxes shall be paid into the
 16 state treasury each month within ten days after collection and
 17 shall be kept by the state director of finance in special
 18 accounts for distribution as provided in this subsection."

19 SECTION 4. Statutory material to be repealed is bracketed
 20 and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2011.

2

INTRODUCED BY:

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JAN 21 2011



Report Title:

Time Share Units; Transient Accommodations Tax; Increase

Description:

Temporarily increases from 07/01/2011 to 06/30/2015 the transient accommodations tax rate on time share units.

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