
A BILL FOR AN ACT

RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX.

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

1 SECTION 1. Section 251-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Car-sharing organization" means an organization that
5 operates a membership program in which its members are permitted
6 to use vehicles from the organization's fleet on an hourly basis
7 at hourly rates that include the cost of insurance and the cost
8 of the vehicle to the organization."

9 SECTION 2. Section 251-2, Hawaii Revised Statutes, is
10 amended to read as follows:

11 **"§251-2 Rental motor vehicle and tour vehicle surcharge**

12 **tax.** (a) There is levied and shall be assessed and collected
13 each month a rental motor vehicle surcharge tax of \$7.50 a day,
14 except that [~~after~~]:

15 (1) After June 30, 2012, the tax shall be \$3 a day, or any
16 portion of a day that a rental motor vehicle is rented
17 or leased[-]; or



1 (2) In the case of rentals made by a car-sharing
2 organization to its members of less than six hours in
3 duration, the surcharge tax shall be prorated at 12.5
4 cents per hour; provided that for each rental of six
5 hours or more, the tax shall be assessed at the same
6 rate as provided in paragraph (1).

7 (b) The rental motor vehicle surcharge tax shall be levied
8 upon the lessor; provided that the tax shall not be levied on
9 the lessor if:

10 (1) The lessor is renting the vehicle to replace a vehicle
11 of the lessee that is being repaired; and

12 (2) A record of the repair order for the vehicle is
13 retained either by the lessor for two years for
14 verification purposes or by a motor vehicle repair
15 dealer for two years as provided in section 437B-16.

16 ~~(b)~~ (c) There is levied and shall be assessed and
17 collected each month a tour vehicle surcharge tax of:

18 (1) \$65 for each tour vehicle used or partially used
19 during the month that falls into the over twenty-five
20 passenger seat category; and



1 (2) \$15 for each tour vehicle used or partially used
2 during the month that falls into the eight to twenty-
3 five passenger seat category.

4 The tour vehicle surcharge tax shall be levied upon the tour
5 vehicle operator."

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 2020.



Report Title:

Rental Motor Vehicle Surcharge Tax; Car-sharing Organizations

Description:

Requires the rental motor vehicle surcharge tax for car-sharing organizations to be prorated at 12.5 cents per hour for rentals of less than six hours and at existing per day rates at or longer than six hours. Defines car-sharing organization. Effective July 1, 2020. (HB551 HD1)

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

