
A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

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

3 "**§237D-2 Imposition and rates.** (a) There is levied and
4 shall be assessed and collected each month a tax of:

5 (1) Five per cent for the period beginning on January 1,
6 1987, to June 30, 1994;

7 (2) Six per cent for the period beginning on July 1, 1994,
8 to December 31, 1998; [and]

9 (3) 7.25 per cent for the period beginning on January 1,
10 1999, [~~and thereafter,~~] to June 30, 2009;

11 (4) 8.25 per cent for the period beginning on July 1,
12 2009, to June 30, 2010; and

13 (5) 9.25 per cent for the period beginning on July 1,
14 2010, and thereafter;

15 on the gross rental or gross rental proceeds derived from
16 furnishing transient accommodations.

17 [~~(b) There is levied and shall be assessed and collected~~
18 ~~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 subsection (a) (3).~~

9 ~~(c) There is levied and shall be assessed and collected~~
10 ~~each month a daily tax of \$10 for every transient accommodation~~
11 ~~that is furnished on a complimentary or gratuitous basis, or~~
12 ~~otherwise at no charge, including transient accommodations~~
13 ~~furnished as part of a package.~~

14 ~~(d)]~~ (b) Every operator shall pay to the State the tax
15 imposed by [subsections] subsection (a) [~~, (b), and (c), as~~
16 ~~applicable]~~, as provided in this chapter.

17 ~~[(e)]~~ (c) There is levied and shall be assessed and
18 collected each month, on the occupant of a resort time share
19 vacation unit, a transient accommodations tax of 7.25 per cent
20 on the fair market rental value.

21 ~~[(f)]~~ (d) Every plan manager shall be liable for and pay
22 to the State the transient accommodations tax imposed by



1 subsection ~~[(e)]~~ (c) as provided in this chapter. Every resort
2 time share vacation plan shall be represented by a plan manager
3 who shall be subject to this chapter."

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

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

10 (1) ~~[17.3 per cent of the revenues collected under this~~
11 ~~chapter] \$33,000,000 shall be [deposited into]~~
12 allocated to the convention center enterprise special
13 fund established under section 201B-8; [provided that
14 beginning January 1, 2002, if the amount of revenue
15 collected under this paragraph exceeds \$33,000,000 in
16 any fiscal year, revenues collected in excess of
17 \$33,000,000 shall be deposited into the general fund;]

18 (2) ~~[34.2 per cent of the revenues collected under this~~
19 ~~chapter] \$82,000,000 shall be [deposited into]~~
20 allocated to the tourism special fund established
21 under section 201B-11 [for tourism promotion and
22 visitor industry research; provided that for any



1 ~~period beginning on July 1, 2012, and ending on~~
2 ~~June 30, 2015, no more than \$71,000,000 per fiscal~~
3 ~~year shall be deposited into the tourism special fund~~
4 ~~established under section 201B-11; provided further];~~
5 provided that [beginning]:

6 (A) Beginning on July 1, 2012, and ending on June 30,
7 2015, \$2,000,000 shall be expended from the
8 tourism special fund for development and
9 implementation of initiatives to take advantage
10 of expanded visa programs and increased travel
11 opportunities for international visitors to
12 Hawaii; ~~[and provided further that beginning on~~
13 ~~July 1, 2002, of the first \$1,000,000 in revenues~~
14 ~~deposited.~~

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

22 ~~provided that of]~~



1 (B) Of the [34.2 per cent,] \$82,000,000 allocated:
2 (i) \$1,000,000 shall be allocated for the
3 operation of a Hawaiian center and the
4 museum of Hawaiian music and dance at the
5 Hawaii convention center; and
6 (ii) 0.5 per cent of the \$82,000,000 shall be
7 transferred to a sub-account in the tourism
8 special fund to provide funding for a safety
9 and security budget, in accordance with the
10 Hawaii tourism strategic plan 2005-2015;
11 ~~[provided further that of]~~ and
12 (C) Of the revenues remaining in the tourism special
13 fund after revenues have been deposited as
14 provided in this paragraph and except for any sum
15 authorized by the legislature for expenditure
16 from revenues subject to this paragraph,
17 beginning July 1, 2007, funds shall be deposited
18 into the tourism emergency trust fund,
19 established in section 201B-10, in a manner
20 sufficient to maintain a fund balance of
21 \$5,000,000 in the tourism emergency trust fund;
22 [and]



- 1 (3) ~~[44.8 per cent of the revenues collected under this~~
2 ~~chapter]~~ \$93,000,000 shall be ~~[transferred]~~ allocated
3 as follows: Kauai county shall receive 14.5 per cent,
4 Hawaii county shall receive 18.6 per cent, city and
5 county of Honolulu shall receive 44.1 per cent, and
6 Maui county shall receive 22.8 per cent; ~~[provided~~
7 ~~that for any period beginning on July 1, 2011, and~~
8 ~~ending on June 30, 2015, the total amount transferred~~
9 ~~to the counties shall not exceed \$93,000,000 per~~
10 ~~fiscal year.]~~ and
- 11 (4) Of the excess revenues deposited into the general fund
12 pursuant to this subsection, \$3,000,000 shall be
13 allocated subject to the mutual agreement of the board
14 of land and natural resources and the board of
15 directors of the Hawaii tourism authority in
16 accordance with the Hawaii tourism authority strategic
17 plan for:
- 18 (A) The protection, preservation, and enhancement of
19 natural resources important to the visitor
20 industry;
- 21 (B) Planning, construction, and repair of facilities;
22 and



1 (C) Operation and maintenance costs of public lands
2 connected with enhancing the visitor experience.

3 ~~[Revenues collected under section 237D-2(b) shall be~~
4 ~~deposited into the general fund.]~~ All transient accommodations
5 taxes shall be paid into the state treasury each month within
6 ten days after collection and shall be kept by the state
7 director of finance in special accounts for distribution as
8 provided in this subsection.

9 As used in this subsection, "fiscal year" means the twelve-
10 month period beginning on July 1 of a calendar year and ending
11 on June 30 of the following calendar year."

12 SECTION 3. Act 61, Session Laws of Hawaii 2009, is amended
13 by amending section 4 to read as follows:

14 "SECTION 4. This Act shall take effect on July 1, 2009 [~~7~~
15 ~~and shall be repealed on June 30, 2015; provided that sections~~
16 ~~237D-2 and 237D-6.5, Hawaii Revised Statutes, shall be reenacted~~
17 ~~in the form in which they read on June 30, 2009]."~~

18 SECTION 4. Act 103, Session Laws of Hawaii 2011, is
19 amended by amending section 4 to read as follows:

20 "SECTION 4. This Act shall take effect on July 1, 2011 [~~7~~
21 ~~provided that section 2 of this Act shall be repealed on~~
22 ~~June 30, 2015, and section 237D-6.5, Hawaii Revised Statutes,~~



1 ~~shall be reenacted in the form in which it read on June 30,~~
2 ~~2009, pursuant to Act 61, Session Laws of Hawaii 2009]."~~

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2013.



Report Title:

Transient Accommodations Tax

Description:

Repeals the additional transient accommodations tax imposed by Act 61, SLH 2009. Repeals the daily tax on transient accommodations furnished on a complimentary or gratuitous basis imposed by Act 103, SLH 2011. Makes permanent allocations of the Transient Accommodation Tax revenue to the convention center enterprise special fund, tourism special fund, and the counties. Makes permanent the transient accommodation tax rate of 9.25 per cent. Allocates funds from the tourism special fund for the operation of a Hawaiian center and the museum of hawaiian music and dance at the Hawaii convention center. Removes allocations to the State parks special fund and the special land and development fund. Allocates certain excess transient accommodations tax revenues deposited into the general fund for natural resources important to the visitor industry, facilities, and public lands connected with enhancing the visitor experience. (CD1)

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