
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;

13 (5) 9.25 per cent for the period beginning on July 1,
14 2010, to June 30, 2013; and

15 (6) 7.25 per cent for the period beginning on July 1,
16 2013, and thereafter;

17 on the gross rental or gross rental proceeds derived from
18 furnishing transient accommodations.



1 ~~[(b) There is levied and shall be assessed and collected~~
2 ~~each month an additional:~~

3 ~~(1) One per cent for the period beginning July 1, 2009, to~~
4 ~~June 30, 2010; and~~

5 ~~(2) Two per cent for the period beginning July 1, 2010, to~~
6 ~~June 30, 2015;~~

7 ~~on the gross rental or gross rental proceeds derived from~~
8 ~~furnishing transient accommodations. The rate levied and~~
9 ~~assessed under this subsection shall be additional to the rate~~
10 ~~levied and assessed under subsection (a) (3).~~

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

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

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



1 ~~[(f)]~~ (d) Every plan manager shall be liable for and pay
2 to the State the transient accommodations tax imposed by
3 subsection ~~[(e)]~~ (c) as provided in this chapter. Every resort
4 time share vacation plan shall be represented by a plan manager
5 who shall be subject to this chapter."

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

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

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

20 (2) 34.2 per cent of the revenues collected under this
21 chapter shall be deposited into the tourism special
22 fund established under section 201B-11 for tourism



1 promotion and visitor industry research; provided that
2 for any period beginning on July 1, 2012, [~~and ending~~
3 ~~on June 30, 2015,~~] no more than \$71,000,000 per fiscal
4 year shall be deposited into the tourism special fund
5 established under section 201B-11; provided [~~further~~]
6 that beginning on July 1, 2012, and ending on June 30,
7 2015, \$2,000,000 shall be expended from the tourism
8 special fund for development and implementation of
9 initiatives to take advantage of expanded visa
10 programs and increased travel opportunities for
11 international visitors to Hawaii; and provided further
12 that beginning on July 1, 2002, of the first
13 \$1,000,000 in revenues deposited:

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

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

21 provided that of the 34.2 per cent, 0.5 per cent shall
22 be transferred to a sub-account in the tourism special



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

13 (3) 44.8 per cent of the revenues collected under this
14 chapter shall be transferred as follows: Kauai county
15 shall receive 14.5 per cent, Hawaii county shall
16 receive 18.6 per cent, city and county of Honolulu
17 shall receive 44.1 per cent, and Maui county shall
18 receive 22.8 per cent; provided that for any period
19 beginning on July 1, 2011, [~~and ending on June 30,~~
20 ~~2015,~~] the total amount transferred to the counties
21 shall not exceed \$93,000,000 per fiscal year.



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

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

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

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

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

18 "SECTION 4. This Act shall take effect on July 1, 2011[~~7~~
19 ~~provided that section 2 of this Act shall be repealed on~~
20 ~~June 30, 2015, and section 237D-6.5, Hawaii Revised Statutes,~~
21 ~~shall be reenacted in the form in which it read on June 30,~~
22 ~~2009, pursuant to Act 61, Session Laws of Hawaii 2009]."~~



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act, upon its approval, shall take effect
4 on July 1, 2050.



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 the caps on Transient Accommodation Tax revenue distributions to the Tourism Special Fund and the counties. Effective July 1, 2050. (SB1194 HD1)

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

