
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),]~~ shall be
8 distributed as follows, with the excess revenues to be deposited
9 into the general fund:

10 (1) ~~[17.3]~~ 13.6 per cent of the revenues collected under
11 this chapter shall be deposited into the convention
12 center enterprise special fund established under
13 section 201B-8; provided that beginning January 1,
14 2002, if the amount of revenue collected under this
15 paragraph exceeds \$33,000,000 in any fiscal year,
16 revenues collected in excess of \$33,000,000 shall be
17 deposited into the general fund;

18 (2) ~~[34.2]~~ 23.5 per cent of the revenues collected under
19 this chapter shall be deposited into the tourism
20 special fund established under section 201B-11 for
21 tourism promotion and visitor industry research;
22 provided that for any period beginning on July 1,



1 2012, and ending on June 30, 2015, no more than
2 [\$71,000,000] \$ _____ per fiscal year shall be
3 deposited into the tourism special fund established
4 under section 201B-11; provided [~~further~~] that
5 beginning on July 1, 2012, and ending on June 30,
6 2015, \$2,000,000 shall be expended from the tourism
7 special fund for development and implementation of
8 initiatives to take advantage of expanded visa
9 programs and increased travel opportunities for
10 international visitors to Hawaii; and provided further
11 that beginning on July 1, 2002, of the first
12 [\$1,000,000] \$ _____ in revenues deposited:
13 (A) [~~Ninety~~] _____ per cent shall be deposited
14 into the state parks special fund established in
15 section 184-3.4; and
16 (B) [~~Ten~~] _____ per cent shall be deposited into
17 the special land and development fund established
18 in section 171-19 for the Hawaii statewide trail
19 and access program;
20 provided that of the [~~34.2~~] 23.5 per cent, 0.5 per
21 cent shall be transferred to a sub-account in the
22 tourism special fund to provide funding for a safety



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

- 12 (3) ~~[44.8]~~ 35.1 per cent of the revenues collected under
13 this chapter shall be transferred as follows: Kauai
14 county shall receive 14.5 per cent, Hawaii county
15 shall receive 18.6 per cent, city and county of
16 Honolulu shall receive 44.1 per cent, and Maui county
17 shall receive 22.8 per cent; provided that for any
18 period beginning on July 1, 2011, ~~[and ending on~~
19 ~~June 30, 2015,]~~ the total amount transferred to the
20 counties shall not exceed \$93,000,000 per fiscal year.

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

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

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

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

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

21 SECTION 5. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



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



Report Title:

Transient Accommodations Tax

Description:

Eliminates the sunset of the transient accommodations tax rate of 9.25 per cent, and decreases amounts to be distributed to the convention center enterprise special fund, the tourism special fund, and the counties. Eliminates the daily transient accommodations tax for complimentary accommodations. Changes the amount of the temporary cap on funds allocated to the tourism special fund. Changes the total amount of transient accommodations tax revenues and the percentages of that total amount deposited from the tourism special fund to the state parks special fund and the special land and development fund. Effective 7/1/2050. (SD2)

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