

MAR 13 2013

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# SENATE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE DEPARTMENT OF TAXATION AND DEPARTMENT OF BUDGET AND FINANCE TO ADDRESS CONCERNS REGARDING THE COLLECTION OF THE COUNTY SURCHARGE ON STATE TAX AND TIMELY DISTRIBUTION OF THE TAX TO THE CITY AND COUNTY OF HONOLULU.

1           WHEREAS, section 237-8.6, Hawaii Revised Statutes, provides  
2 authority for counties to collect a county surcharge on state  
3 excise tax of up to one-half percent; and  
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5           WHEREAS, section 46-16.8, Hawaii Revised Statutes,  
6 specifies that the county surcharge on excise tax shall be used  
7 for operating or capital costs of a locally preferred  
8 alternative to a mass transit project and for related expenses  
9 in complying with the Americans with Disabilities Act of 1990,  
10 which in the case of the City and County of Honolulu applies to  
11 the Honolulu Authority for Rapid Transportation (HART) rail  
12 project; and  
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14           WHEREAS, section 248-2.6, Hawaii Revised Statutes, provides  
15 in pertinent part:  
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17           "[A]ll county surcharges on state tax collected by the  
18 director of taxation shall be paid into the state treasury  
19 quarterly, within ten working days after collection, and  
20 shall be placed by the director of finance in special  
21 accounts. Out of the revenues generated by county  
22 surcharges on state tax paid into each respective state  
23 treasury special account, the director of finance shall  
24 deduct ten per cent of the gross proceeds of a respective  
25 county's surcharge on state tax to reimburse the State for  
26 the costs of assessment, collection, and disposition of the  
27 county surcharge on state tax incurred by the State.  
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29           After the deduction and withholding of the costs under  
30 subsections (a) and (b), the director of finance shall pay  
31 the remaining balance on [a] quarterly basis to the  
32 director of finance of each county that has adopted a  
33 county surcharge on state tax under section 46-16.8"; and



