
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 two new definitions to be appropriately
3 inserted and to read as follows:

4 ""Car-sharing organization" means an organization that:

5 (1) Operates, exclusively, a qualified fleet of vehicles
6 primarily for hourly rental;

7 (2) Operates an annual fee-based membership program in
8 which the membership fee is charged separately from
9 any other charges;

10 (3) Provides self service, fully automated access to its
11 qualified fleet of vehicles exclusively to its
12 members;

13 (4) Requires no separate written agreement from its
14 members for each use of its qualified fleet of
15 vehicles;

16 (5) Allows members to use its qualified fleet of vehicles
17 for an hourly fee that is inclusive of fuel,
18 insurance, maintenance, and other costs;



1 (6) Limits members' use of its qualified fleet of vehicles
2 to no more than twelve hours per day; and

3 (7) Requires return of vehicles to the point of rental.

4 "Qualified fleet of vehicles" means a fleet of vehicles
5 that is comprised of no less than _____ per cent hybrid
6 electric, plug-in hybrid electric, and electric vehicles as
7 defined by the United States Environmental Protection Agency or
8 the United States Department of Energy and published in the Fuel
9 Economy Guide, or any succeeding publication."

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

12 "**§251-2 Rental motor vehicle and tour vehicle surcharge**
13 **tax.** (a) There is levied and shall be assessed and collected
14 each month a rental motor vehicle surcharge tax of \$7.50 a day,
15 except that after June 30, 2012, the tax shall be \$3 a day, or
16 any portion of a day that a rental motor vehicle is rented or
17 leased.

18 (b) The rental motor vehicle surcharge tax shall be levied
19 upon the lessor; provided that the tax shall not be levied on
20 the lessor if:

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



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

5 [~~(b)~~] (c) There is levied and shall be assessed and
6 collected each month a tour vehicle surcharge tax of:

7 (1) \$65 for each tour vehicle used or partially used
8 during the month that falls into the over twenty-five
9 passenger seat category; and

10 (2) \$15 for each tour vehicle used or partially used
11 during the month that falls into the eight to twenty-
12 five passenger seat category.

13 The tour vehicle surcharge tax shall be levied upon the tour
14 vehicle operator.

15 (d) A car-sharing organization shall be exempt from the
16 rental motor vehicle surcharge tax on rentals of its qualified
17 fleet; provided that the car-sharing organization:

18 (1) Submits an application to the department that includes
19 a certification that the applicant is in compliance
20 with all of the requirements of being a car-sharing
21 organization;



1 (2) Submits with the application any other information the
2 department may require to make a determination on the
3 application; and

4 (3) The department approves the application for tax exempt
5 status under this subsection.

6 The department may also require, as a condition of tax exempt
7 status, that the car-sharing organization transmit an annual
8 electronic report of all exempt income derived from the
9 operation of the car-sharing organization."

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Rental Motor Vehicle Surcharge Tax; Car-sharing Organizations

Description:

Exempts car-sharing organizations from the rental motor vehicle surcharge tax upon approval of DoTax. Defines car-sharing organization and qualified fleet of vehicles. Effective 07/01/2050. (SD2)

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