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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Chapter 237, Hawaii Revised Statutes, is  
2 amended by adding two new sections to be appropriately  
3 designated and to read as follows:  
4           "§237-A Display of general excise tax registration;  
5 taxicab drivers; transportation network company drivers. (a)  
6 Every driver of a taxicab, as defined in section 269-1, and  
7 every transportation network company driver, as defined in  
8 subsection (c), shall conspicuously display within the vehicle  
9 operated by the driver a full-sized, unaltered copy of the  
10 general excise tax license issued to the driver of the taxicab  
11 or network company driver, as applicable. If a driver of a  
12 taxicab or a transportation network company driver is an  
13 employee of a general excise tax licensee, the driver shall  
14 display within the vehicle operated by the driver of a taxicab  
15 or transportation network company a full-sized, unaltered copy  
16 of the general excise tax license issued to the driver's  
17 employer.



1        (b) The department of taxation may issue a citation to any  
2 person who fails to conspicuously display the general excise tax  
3 license as required by subsection (a). Failure to conspicuously  
4 display the general excise tax license shall be subject to a  
5 fine of not more than:

- 6        (1) \$500 per day for a first violation;
- 7        (2) \$1,000 per day for a second violation;
- 8        (3) \$5,000 per day for a third and any subsequent  
9        violation.

10       Any fine shall be paid within thirty days after issuance of  
11 the citation. An appeal may be made to the director of  
12 taxation.

13       (c) As used in this section:

14       "Transportation network company" means an entity that uses  
15 a digital network or software application service to connect  
16 passengers to transportation network company drivers; provided  
17 that the entity:

- 18       (1) Does not own, control, operate, or manage the personal  
19       vehicles used by transportation network company  
20       drivers; and



1       (2) Is not a taxicab association or a for-hire vehicle  
2               owner.

3       "Transportation network company driver" means an individual  
4 who operates a personal vehicle used to transport a passenger  
5 between points chosen by the passenger and prearranged through a  
6 transportation network company and that is:

7       (1) Owned, leased, or otherwise authorized for use by the  
8               individual;

9       (2) Not a taxicab or for-hire vehicle; and

10       (3) Used to provide prearranged rides to passengers.

11       **§237-B Reporting of tax identification number; taxicab**

12 **drivers; transportation network company drivers.** (a) Every  
13 driver of a taxicab, as defined in section 269-1, and every  
14 transportation network company driver, as defined in 237-A(c),  
15 shall report to the department of taxation the tax  
16 identification number as listed on the general excise tax  
17 license issued to the driver of the taxicab or transportation  
18 network company driver.

19       (b) The department of taxation shall compile a list of tax  
20 identification numbers provided pursuant to subsection (a), and  
21 shall update this list on a semi-annual basis."



1 SECTION 2. Section 235-20.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There is established a tax administration special  
4 fund, into which shall be deposited:

5 (1) Fees collected under sections 235-20, 235-110.9, and  
6 235-110.91;

7 (2) Revenues collected by the special enforcement section  
8 pursuant to section 231-85; provided that in each  
9 fiscal year, of the total revenues collected by the  
10 special enforcement section, all revenues in excess of  
11 \$700,000 shall be deposited into the general fund;

12 [and]

13 (3) Fines assessed pursuant to section 237D-4~~[ ]~~; and

14 (4) Fines assessed pursuant to section 237-A."

15 SECTION 3. In codifying the new sections added by section  
16 1 of this Act, the revisor of statutes shall substitute  
17 appropriate section numbers for the letters used in designating  
18 the new sections in this Act.

19 SECTION 4. If any provision of this Act, or the  
20 application thereof to any person or circumstance, is held  
21 invalid, the invalidity does not affect other provisions or



1 applications of the Act that can be given effect without the  
2 invalid provision or application, and to this end the provisions  
3 of this Act are severable.

4 SECTION 5. This Act does not affect rights and duties that  
5 matured, penalties that were incurred, and proceedings that were  
6 begun before its effective date.

7 SECTION 6. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 7. This Act shall take on July 1, 2050.



**Report Title:**

General Excise Tax; Taxicabs; Transportation Network Companies

**Description:**

Requires a general excise tax license to be conspicuously displayed within any vehicle being driven by a taxicab driver or transportation network company driver. Provides penalties. Requires a taxicab driver or transportation network company driver to report their issued tax identification number to the Department of Taxation, to be compiled in a list and updated on a semi-annual basis. (HB900 HD1)

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

