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# A BILL FOR AN ACT

RELATING TO REIMBURSEMENTS TO THE STATE FOR THE COSTS OF  
ASSESSMENT, COLLECTION, AND DISPOSITION OF THE COUNTY  
SURCHARGE ON STATE TAX.

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

1           SECTION 1. Section 248-2.6, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "~~[+]§248-2.6[+]~~ **County surcharge on state tax; disposition**  
4 **of proceeds.** (a) If adopted by county ordinance, all county  
5 surcharges on state tax collected by the director of taxation  
6 shall be paid into the state treasury quarterly, within ten  
7 working days after collection, and shall be placed by the  
8 director of finance in special accounts. ~~[Out of the revenues~~  
9 ~~generated by county surcharges on state tax paid into each~~  
10 ~~respective state treasury special account, the director of~~  
11 ~~finance shall deduct ten per cent of the gross proceeds of a~~  
12 ~~respective county's surcharge on state tax to reimburse the~~  
13 ~~State for the costs of assessment, collection, and disposition~~  
14 ~~of the county surcharge on state tax incurred by the State.~~  
15 ~~Amounts retained shall be general fund realizations of the~~  
16 ~~State.~~



1       ~~(b) The amounts deducted for costs of assessment,~~  
2       ~~collection, and disposition of county surcharges on state tax~~  
3       ~~shall be withheld from payment to the counties by the State out~~  
4       ~~of the county surcharges on state tax collected for the current~~  
5       ~~calendar year.~~

6       ~~(c) For the purpose of this section, the costs of~~  
7       ~~assessment, collection, and disposition of the county surcharges~~  
8       ~~on state tax shall include any and all costs, direct or~~  
9       ~~indirect, that are deemed necessary and proper to effectively~~  
10      ~~administer this section and sections 237-8.6 and 238-2.6.~~

11      ~~(d) After the deduction and withholding of the costs under~~  
12      ~~subsections (a) and (b), the]~~

13      (b) The director of finance shall pay ~~[the remaining~~  
14      ~~balance on [a] quarterly basis] the collected county surcharges~~  
15      ~~on state tax~~ to the director of finance of each county that has  
16      adopted a county surcharge on state tax under section 46-16.8 [~~-~~  
17      ~~The] through quarterly payments [~~shall be made]~~ after the county  
18      surcharges on state tax have been paid into the state treasury  
19      special accounts or after the disposition of any tax appeal, as  
20      the case may be. All county surcharges on state tax collected  
21      shall be distributed by the director of finance to the county in~~



1 which the county surcharge on state tax is generated and shall  
2 be a general fund realization of the county, to be used for the  
3 purposes specified in section 46-16.8 by each of the counties."

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

6 SECTION 3. This Act shall take effect on January 1, 2018.

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**Report Title:**

County Surcharge on State Tax; Repeal State Deduction

**Description:**

Repeals the requirement that the Director of Finance deduct ten per cent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for the costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State. Takes effect on 1/1/2018.  
(SD1)

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