

JAN 18 2019

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (c) to read:

4 "(c) Each county that has not established a surcharge on
5 state tax prior to July 1, 2015, may establish the surcharge at
6 the rates enumerated in sections 237-8.6 and 238-2.6. A county
7 electing to establish this surcharge shall do so by ordinance;
8 provided that:

9 (1) No ordinance shall be adopted until the county has
10 conducted a public hearing on the proposed ordinance;

11 (2) The ordinance shall be adopted prior to March 31,
12 [~~2019,~~] 2020; and

13 (3) No county surcharge on state tax that may be
14 authorized under this subsection shall be levied prior
15 to January 1, 2019, or after December 31, 2030.

16 A county electing to exercise the authority granted under
17 this subsection shall notify the director of taxation within ten



1 days after the county has adopted a surcharge on state tax
2 ordinance. Beginning on January 1, 2019, [~~o~~] January 1, 2020,
3 or January 1, 2021, as applicable pursuant to sections 237-8.6
4 and 238-2.6, the director of taxation shall levy, assess,
5 collect, and otherwise administer the county surcharge on state
6 tax."

7 2. By amending subsection (f) to read:

8 "(f) Each county with a population equal to or less than
9 five hundred thousand that adopts a county surcharge on state
10 tax ordinance pursuant to this section shall use the surcharges
11 received from the State for:

12 (1) Operating or capital costs of public transportation
13 within each county for public transportation systems,
14 including public roadways or highways, public buses,
15 trains, ferries, pedestrian paths or sidewalks, or
16 bicycle paths; [~~and~~]

17 (2) Expenses in complying with the Americans with
18 Disabilities Act of 1990 with respect to paragraph

19 (1) [~~-~~]; and

20 (3) Operating or capital costs for affordable housing and
21 to address homelessness within each county."



1 SECTION 2. Section 237-8.6, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (b) to read:

4 "(b) Each county surcharge on state tax that may be
5 adopted or extended pursuant to section 46-16.8 shall be levied
6 beginning in a taxable year after the adoption of the relevant
7 county ordinance; provided that no surcharge on state tax may be
8 levied:

9 (1) Prior to:

10 (A) January 1, 2007, if the county surcharge on state
11 tax was established by an ordinance adopted prior
12 to December 31, 2005;

13 (B) January 1, 2019, if the county surcharge on state
14 tax was established by the adoption of an
15 ordinance after June 30, 2015, but prior to June
16 30, 2018; [~~or~~]

17 (C) January 1, 2020, if the county surcharge on state
18 tax was established by the adoption of an
19 ordinance on or after June 30, 2018, but prior to
20 March 31, 2019; [~~and~~] or



1 (D) January 1, 2021, if the county surcharge on state
2 tax was established by the adoption of an
3 ordinance on or after June 30, 2019, but prior to
4 March 31, 2020; and

5 (2) After December 31, 2030."

6 2. By amending subsection (d) to read:

7 "(d) No county surcharge on state tax shall be established
8 on any:

9 (1) Gross income or gross proceeds taxable under this
10 chapter at the one-half per cent tax rate;

11 (2) Gross income or gross proceeds taxable under this
12 chapter at the 0.15 per cent tax rate; [~~or~~]

13 (3) Transactions, amounts, persons, gross income, or gross
14 proceeds exempt from tax under this chapter~~[-]~~; or

15 (4) Gross income or gross proceeds for medical services or
16 food."

17 SECTION 3. Section 238-2.6, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Each county surcharge on state tax that may be
20 adopted or extended shall be levied beginning in a taxable year



1 after the adoption of the relevant county ordinance; provided
2 that no surcharge on state tax may be levied:

3 (1) Prior to:

4 (A) January 1, 2007, if the county surcharge on state
5 tax was established by an ordinance adopted prior
6 to December 31, 2005;

7 (B) January 1, 2019, if the county surcharge on state
8 tax was established by the adoption of an
9 ordinance after June 30, 2015, but prior to June
10 30, 2018; [~~or~~]

11 (C) January 1, 2020, if the county surcharge on state
12 tax was established by the adoption of an
13 ordinance on or after June 30, 2018, but prior to
14 March 31, 2019; [~~and~~] or

15 (D) January 1, 2021, if the county surcharge on state
16 tax was established by the adoption of an
17 ordinance on or after June 30, 2019, but prior to
18 March 31, 2020; and

19 (2) After December 31, 2030."

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



S.B. NO. 185

1 SECTION 5. This Act shall take effect upon its approval.

2

INTRODUCED BY: *M. D. M.*
By Request



S.B. NO. 185

Report Title:

Maui County Package; General Excise Tax; County Surcharge on State Tax; Extension

Description:

Extends the period in which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2019 to 3/31/2020. Authorizes the use of surcharge revenues to address affordable housing and homelessness. Exempts gross income and gross proceeds for medical services or food from the surcharge.

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

