

JAN 17 2020

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that existing law
2 authorized counties to establish a county surcharge on state
3 taxes in order to financially assist the counties with operating
4 or capital costs of public transportation. The legislature
5 further finds that the deadline for a county to establish a
6 county surcharge was March 31, 2019. However, not all the
7 counties were able to establish a county surcharge by the
8 March 31, 2019 deadline and therefore are burdened with the
9 operating and capital costs of public transportation. Providing
10 an opportunity to establish a county surcharge will alleviate
11 and equalize any financial burden of certain public
12 transportation costs throughout the State.

13 Accordingly, the purpose of this Act is to extend the
14 period in which a county may establish a surcharge on state tax,
15 under certain conditions.

16 SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is
17 amended by amending subsection (c) to read as follows:



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

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

8 (2) The ordinance shall be adopted prior to March 31,
9 ~~[2019]~~ 2021; and

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

13 A county electing to exercise the authority granted under
14 this subsection shall notify the director of taxation within ten
15 days after the county has adopted a surcharge on state tax
16 ordinance. Beginning on January 1, 2019, ~~[or]~~ January 1, 2020,
17 or January 1, 2022, as applicable pursuant to sections 237-8.6
18 and 238-2.6, the director of taxation shall levy, assess,
19 collect, and otherwise administer the county surcharge on state
20 tax."



1 SECTION 3. Section 237-8.6, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

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

8 (1) Prior to:

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

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

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

20 (D) January 1, 2022, if the county surcharge on state
21 tax was established by the adoption of an



1 ordinance on or after March 31, 2019, but prior
2 to March 31, 2021; and

3 (2) After December 31, 2030."

4 SECTION 4. Section 238-2.6, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

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

10 (1) Prior to:

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

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

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



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1 (D) January 1, 2022, if the county surcharge on state
2 tax was established by the adoption of an
3 ordinance on or after March 31, 2019, but prior
4 to March 31, 2021; and

5 (2) After December 31, 2030."

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect upon its approval.

9

INTRODUCED BY:

J. Kalani Eguchi
~~A.C. Smith-Agnew~~
The Honorable J.



S.B. NO. 2353

Report Title:

County Surcharge on State Tax; General Excise Tax; Extension

Description:

Extends the period in which a county may adopt an ordinance to establish a surcharge on state tax, under certain conditions, from 3/31/2019 to 3/31/2021.

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

