

JAN 21 2022

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The legislature finds that businesses and
2 private individuals are increasingly renting camper vans to
3 visitors that essentially function as transient accommodations
4 in lieu of hotel rooms or transient vacation rentals. The
5 legislature further finds that camper van rental operations
6 should register and tax renters in the same way as other types
7 of transient accommodations.

8 The purpose of this Act is to make the rental of camper
9 vans subject to the transient accommodations tax.

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

12 1. By adding a new definition to be appropriately inserted
13 and to read:

14 "Camper van" means a self-propelled motor vehicle that
15 provides transport and sleeping accommodations, including a
16 motorhome or other recreational vehicle useable for transport
17 and sleeping accommodations."



2. By amending the definition of "lease", "let", or "rental" to read:

"Lease", "let", or "rental" means the leasing or renting of living quarters or sleeping or housekeeping accommodations in hotels, apartment hotels, motels, condominiums or units defined in chapter 514B, cooperative apartments, rooming houses, camper vans, or other places in which lodgings are regularly furnished to transients for [a] consideration, without transfer of the title of such property."

3. By amending the definition of "transient accommodations" to read:

"Transient accommodations" means the furnishing of a room, apartment, suite, single family dwelling, camper van, or the like to a transient for less than one hundred eighty consecutive days for each letting in a hotel, apartment hotel, motel, condominium or unit as defined in chapter 514B, cooperative apartment, dwelling unit, or rooming house, or for each letting of a camper van, that provides living quarters, sleeping, or housekeeping accommodations, or other place in which lodgings are regularly furnished to transients."



SECTION 3. Section 237D-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Every taxpayer not required to register under section 237D-4.5, as a condition precedent to engaging or continuing in the business of furnishing transient accommodations or in business as a resort time share vacation plan, shall register with the director the name and address of each place of business within the State subject to this chapter. The taxpayer shall make a one-time payment as follows:

(1) \$5 for each registration for transient accommodations consisting of one to five units;

(2) \$15 for each registration for transient accommodations consisting of six or more units; and

(3) \$15 for each resort time share vacation plan within the State;

upon receipt of which the director shall issue a certificate of registration in a form determined by the director, attesting that the registration has been made. The registration shall not be transferable and shall be valid only for the taxpayer in whose name it is issued and for the transaction of business at the place designated therein. Acquisition of additional



1 transient accommodation units after payment of the one-time fee
2 shall not result in additional fees.

3 For purposes of this subsection, each camper van shall
4 constitute one unit."

5 SECTION 4. Section 237D-8.5, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) Every written rental collection agreement shall have
8 on the first page of the agreement the name, address, social
9 security or federal identification number, and, if available,
10 the general excise tax license and transient accommodations tax
11 registration numbers of the owner of the transient
12 accommodations being rented[~~7~~]; the address of the real property
13 being rented, if applicable; and the following statement which
14 shall be set forth in bold print and in ten-point type size:

15
16 **"HAWAII TRANSIENT ACCOMMODATIONS TAXES MUST BE PAID ON THE GROSS**
17 **RENTS COLLECTED BY ANY PERSON RENTING TRANSIENT ACCOMMODATIONS**
18 **IN THE STATE OF HAWAII. A COPY OF THE FIRST PAGE OF THIS**
19 **AGREEMENT, OR OF FEDERAL INTERNAL REVENUE FORM 1099 STATING THE**
20 **AMOUNT OF RENTS COLLECTED, SHALL BE FILED WITH THE HAWAII**
21 **DEPARTMENT OF TAXATION."**



1

2 Every person entering an oral rental collection agreement
3 shall furnish the department of taxation the information
4 required under this subsection and shall give the owner of the
5 property a copy of the notice required by this subsection. The
6 statement required by this subsection may be combined with the
7 statement required under section 237-30.5 by adding in bold
8 print and in ten-point type size to the front of the statement
9 in section 237-30.5 the following:

10

11 **"HAWAII TRANSIENT ACCOMMODATIONS TAXES AND".**

12 SECTION 5. Section 437D-8.4, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) Notwithstanding any law to the contrary, a lessor may
15 visibly pass on to a lessee:

16 (1) The general excise tax attributable to the
17 transaction;

18 (2) The vehicle license recovery fees, prorated at 1/292nd
19 of the annual vehicle license recovery fees actually
20 paid on the particular vehicle being rented for each
21 full or partial twenty-four-hour rental day that the



1 vehicle is rented; provided the total of all vehicle
2 license recovery fees charged to all lessees shall not
3 exceed the annual vehicle license recovery fees
4 actually paid for the particular vehicle rented;

5 (3) The surcharge taxes imposed in chapter 251
6 attributable to the transaction;

7 (4) The county surcharge on state tax under section 46-
8 16.8; provided that the lessor itemizes the tax for
9 the lessee; ~~and~~

10 (5) The transient accommodations tax imposed on camper
11 vans pursuant to chapter 237D; and

12 ~~[(+5)]~~ (6) The rents or fees paid to the department of
13 transportation under concession contracts negotiated
14 pursuant to chapter 102, service permits granted
15 pursuant to title 19, Hawaii Administrative Rules, or
16 rental motor vehicle customer facility charges
17 established pursuant to section 261-7; provided that:

18 (A) The rents or fees are limited to amounts that can
19 be attributed to the proceeds of the particular
20 transaction;



(B) The rents or fees shall not exceed the lessor's net payments to the department of transportation made under concession contract or service permit;

(C) The lessor submits to the department of transportation and the department of commerce and consumer affairs a statement, verified by a certified public accountant as correct, that reports the amounts of the rents or fees paid to the department of transportation pursuant to the applicable concession contract or service permit:

(i) For all airport locations; and

(ii) For each airport location;

(D) The lessor submits to the department of transportation and the department of commerce and consumer affairs a statement, verified by a certified public accountant as correct, that reports the amounts charged to lessees:

(i) For all airport locations;

(ii) For each airport location; and

(iii) For each lessee;



1 (E) The lessor includes in these reports the
2 methodology used to determine the amount of fees
3 charged to each lessee; and

4 (F) The lessor submits the above information to the
5 department of transportation and the department
6 of commerce and consumer affairs within three
7 months of the end of the preceding annual
8 accounting period or contract year as determined
9 by the applicable concession agreement or service
10 permit.

11 The respective departments, in their sole discretion,
12 may extend the time to submit the statement required
13 in this subsection. If the director determines that
14 an examination of the lessor's information is
15 inappropriate under this subsection and the lessor
16 fails to correct the matter within ninety days, the
17 director may conduct an examination and charge a
18 lessor an examination fee based upon the cost per hour
19 per examiner for evaluating, investigating, and
20 verifying compliance with this subsection, as well as
21 additional amounts for travel, per diem, mileage, and



1 other reasonable expenses incurred in connection with
2 the examination, which shall relate solely to the
3 requirements of this subsection, and which shall be
4 billed by the departments as soon as feasible after
5 the close of the examination. The cost per hour shall
6 be \$40 or as may be established by rules adopted by
7 the director. The lessor shall pay the amounts billed
8 within thirty days following the billing. All moneys
9 collected by the director shall be credited to the
10 compliance resolution fund."

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect upon its approval;
14 provided that the amendments made to section 437D-8.4, Hawaii
15 Revised Statutes, by this Act shall not be repealed when this
16 section is reenacted on December 31, 2030, pursuant to section 6
17 of Act 1, Special Session Laws of Hawaii 2017.

18
INTRODUCED BY: ~~SEN~~ AC Finch-Jag



S.B. NO. 2350

Report Title:

Transient Accommodations Tax; Camper Van Rentals; Department of Taxation

Description:

Makes camper vans a type of transient accommodation, the rental of which is subject to the transient accommodations tax.

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

