

JAN 21 2022

S.B. NO. 2548

A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The legislature finds that the transient
2 accommodations tax was established by Act 340, Session Laws of
3 Hawaii 1986, and took effect in 1987 to provide revenue to the
4 counties to offset the impacts of visitor activities on county
5 infrastructure and services. Over time, the statutory
6 allocation of transient accommodations tax distributed to the
7 counties was reduced to a proportional fraction of the total
8 collections.

9 The legislature further finds that Act 1, First Special
10 Session Laws of Hawaii 2021 (Act 1), permanently removed the
11 distribution of state transient accommodations tax revenues to
12 the counties; however, Act 1 also established authority for the
13 counties, through their respective directors of finance, to levy
14 a county transient accommodations tax in addition to the
15 transient accommodations tax collected by the State.

16 With the possible increase in the transient accommodations
17 tax, staycations for residents will be even more burdensome.



1 Residents of the State already pay taxes that are used to
2 maintain state facilities and infrastructure. The purpose of
3 the transient accommodations tax is to offset the impacts of
4 activities by visitors, not residents.

5 The purpose of this Act is to allow Hawaii taxpayers to
6 claim a transient accommodations tax credit against the
7 taxpayer's individual income tax liability.

8 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§235- Transient accommodations tax credit. (a) Any
12 taxpayer who files an individual income tax return may claim a
13 transient accommodations tax credit against the taxpayer's
14 individual income tax liability equal to the full amount of
15 transient accommodations taxes incurred and paid within the
16 State during the taxable year.

17 (b) If the tax credit claimed by the taxpayer under this
18 section exceeds the amount of the income tax payments due from
19 the taxpayer, the excess of credit over payments due shall be
20 refunded to the taxpayer; provided that the tax credit properly
21 claimed by the taxpayer who has no income tax liability shall be



1 paid to the taxpayer; provided further that no refunds or
2 payments on account of the tax credit allowed by this section
3 shall be made for amounts less than \$1.

4 (c) The director of taxation shall prepare any forms that
5 may be necessary to claim a credit under this section, may
6 require proof of the claim for the tax credit, and may adopt
7 rules pursuant to chapter 91.

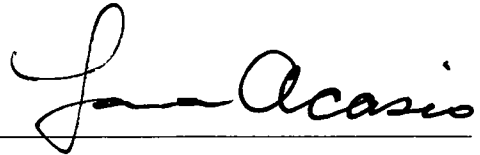
8 (d) All the provisions relating to assessments and refunds
9 under the chapter and under section 231-23(c)(1) shall apply to
10 the tax credit under this section.

11 (e) Claims for the tax credit under this section,
12 including any amended claims, shall be filed on or before the
13 end of the twelfth month following the taxable year for which
14 the claim may be claimed."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval,
17 and shall apply to taxable years beginning after December 31,
18 2021.

19 INTRODUCED BY: _____



S.B. NO. 2548

Report Title:

Transient Accommodations Tax; Tax Credit

Description:

Allows Hawaii taxpayers to claim a refundable transient accommodations tax credit against the taxpayer's individual income tax liability.

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