

JAN 19 2024

A BILL FOR AN ACT

RELATING TO THE COUNTY TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The legislature finds that, in the wake of the
2 August 2023 Maui wildfires, the county of Maui is facing
3 unanticipated revenue shortfalls, including in tax collections.
4 In December 2023, the office of the county auditor of the county
5 of Maui reported on significant delinquencies in collection of
6 the county transient accommodations tax. The county department
7 of finance is understaffed, and only two of eight positions with
8 the county transient accommodations tax team have been filled.
9 The legislature finds that temporary assistance from the
10 department of taxation in the collection of the county transient
11 accommodations tax would allow the county of Maui to clear the
12 existing backlog while it hires and trains needed personnel.

13 Accordingly, the purpose of this Act is to authorize the
14 department of taxation to assist a requesting county in levying,
15 assessing, collecting, and otherwise administering the county
16 transient accommodations tax, including delinquencies and
17 penalties, for a two-year period beginning January 1, 2025.



1 SECTION 2. Section 237D-2.5, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The county transient accommodations tax, upon the
4 adoption of a county ordinance and in accordance with the
5 requirements of section 46-20.7, shall be levied, assessed, and
6 collected as provided in this section on all gross rental, gross
7 rental proceeds, and fair market rental value taxable under this
8 chapter. No county shall set its transient accommodations tax
9 at a rate greater than three per cent of all gross rental, gross
10 rental proceeds, and fair market rental value taxable under this
11 chapter. With respect to the county transient accommodations
12 tax, the applicable county director of finance shall have all
13 the rights and powers of the director of taxation provided under
14 this chapter[-]; provided that, upon the written request of the
15 mayor of a county having a population greater than one hundred
16 thousand and less than two hundred thousand, the director of
17 taxation shall be authorized for a two-year period beginning on
18 January 1, 2025, to assist the county in levying, assessing,
19 collecting, and otherwise administering the county transient
20 accommodations tax, including delinquencies and penalties. All
21 county transient accommodations taxes paid into the state



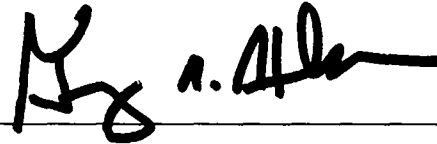
1 treasury pursuant to this section shall be kept by the director
 2 of finance in a special account for distribution to the
 3 applicable county. On or before January 1 or July 1 of each
 4 year, the director of finance shall compute and pay the amount
 5 due to the applicable county, which shall become a general fund
 6 realization of the county."

7 SECTION 3. Statutory material to be repealed is bracketed
 8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval.

10

INTRODUCED BY:



A handwritten signature in black ink, appearing to read "M. A. Allen", is written over a horizontal line.



S.B. NO. 2831

Report Title:

DOTAX; Counties; County Transient Accommodations Tax

Description:

Authorizes the Department of Taxation to assist a requesting county in levying, assessing, collecting, and otherwise administering the county transient accommodations tax, including delinquencies and penalties, for a 2-year period beginning 1/1/2025.

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

