

Honolulu, Hawaii

**FEB 14 2025**

RE: S.B. No. 454  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and  
Transportation and Culture and the Arts, to which was referred  
S.B. No. 454 entitled:

"A BILL FOR AN ACT RELATING TO THE RENTAL MOTOR VEHICLE  
SURCHARGE TAX,"

beg leave to report as follows:

The purpose and intent of this measure is to require the  
rental motor vehicle surcharge tax to be pro-rated if the vehicle  
is rented or leased for a portion of the day.

Your Committees received comments on this measure from the  
Department of Taxation, Enterprise Mobility, and Tax Foundation of  
Hawaii.

Your Committees find that this measure ensures the tax  
assessed on a rental motor vehicle that is rented or leased for a  
portion of a day is assessed fairly.

Your Committees acknowledge the testimony of the Department  
of Taxation that modeling language in this measure on existing law  
would allow the Department to implement this measure more  
effectively.



Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the pro-rated tax shall be assessed at a rate of \$0.25 per half hour, or any portion of a half hour that the vehicle is rented; provided that a vehicle that is rented for six hours or more shall be assessed the full rate;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation and Culture and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 454, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 454, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and  
Transportation and Culture and  
the Arts,



CHRIS LEE, Chair



JARRETT KEOHOKALO, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB454</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN/TCA, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/7/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.		✓		
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton			✓	
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Carol Fukunaga</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

\*Only one measure per Record of Votes

The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Transportation and Culture and the Arts**  
**TCA**

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Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUE, Lorraine R. (VC)				✓
ELEFANTE, Brandon J.C.	✓			
KANUHA, Dru Mamo	✓			
DECORTE, Samantha			✓	<i>WHD</i>
<b>TOTAL</b>	3	0	1	<i>WHD</i> 1 DIC
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">D. K. U.</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

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