

JAN 16 2025

A BILL FOR AN ACT

RELATING TO THE RENTAL MOTOR VEHICLE SURCHARGE TAX.

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

1 SECTION 1. Section 251-2, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) There is levied and shall be assessed and collected
4 each month a rental motor vehicle surcharge tax of \$5 a day~~[, or~~
5 any portion of a day that a]; provided that the tax shall be
6 pro-rated for any rental motor vehicle that is rented or
7 leased~~[.]~~ for a portion of that day. Beginning January 1, 2022,
8 and each subsequent year on January 1 until December 31, 2027,
9 the rental motor vehicle surcharge tax shall increase by
10 \$0.50~~[.]~~ a day and shall be pro-rated for any rental motor
11 vehicle that is rented or leased for a portion of a day. The
12 rental motor vehicle surcharge tax shall be levied upon the
13 lessor; provided that the tax shall not be levied on the lessor
14 if:
15 (1) The lessor is renting the vehicle to replace a vehicle
16 of the lessee that:
17 (A) Is being repaired; or



1 (B) Has been stolen and is unrecovered or will not be
2 repaired due to a total loss of the vehicle; and
3 (2) A record of the repair order, the stolen vehicle
4 record, or total loss vehicle claim for the vehicle is
5 retained either by the lessor for two years for
6 verification purposes or by a motor vehicle repair
7 dealer for two years as provided in section 437B-16.

8 In addition to the requirements imposed by section 251-4, a
9 lessor shall disclose, to the department, the portion of the
10 remittance attributed to the county in which the motor vehicle
11 was operated under rental or lease. A peer-to-peer car-sharing
12 program, as defined in chapter 279L, shall be subject to the tax
13 imposed by this subsection and be subject to the other
14 requirements of this chapter."

15 SECTION 2. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 3. This Act shall take effect upon its approval.

18
INTRODUCED BY: Karl Throck



S.B. NO. 454

Report Title:

Taxes; Rental Motor Vehicles

Description:

Requires the rental motor vehicle surcharge tax to be pro-rated if the vehicle is rented or leased for a portion of the day.

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

