

**ACT 142**

**H.B. NO. 2214**

**A Bill for an Act Relating to Rental Motor Vehicle Surcharge Tax.**

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1.** The purpose of this Act is to specify that the motor vehicle lessor shall be exempt from the rental motor vehicle surcharge tax if the motor vehicle lessor or the motor vehicle repair dealer retains the record of the repair order.

SECTION 2. Section 251-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is levied and shall be assessed and collected each month a rental motor vehicle surcharge tax of \$2 a day, except that for the period of September 1, 1999, to August 31, 2007, the tax shall be \$3 a day, or any portion of a day that a rental motor vehicle is rented or leased. The rental motor vehicle surcharge tax shall be levied upon the lessor; provided that the tax shall not be levied on the lessor if:

- (1) The lessor is renting the vehicle to replace a vehicle of the lessee that is being repaired; and
- (2) [The] A record of the repair order for the vehicle is retained either by the lessor for ~~four~~ two years for verification purposes[.] or by a motor vehicle repair dealer for two years as provided in section 437B-16.”

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 4. This Act shall take effect on July 1, 2006.

(Approved May 26, 2006.)