

ACT 76

H.B. NO. 2485

A Bill for an Act Relating to State Tax Administration.

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

SECTION 1. Section 231-10.8, Hawaii Revised Statutes, is amended to read as follows:

~~“[§231-10.8]~~ **Tax clearance fees.** The department may charge a fee of \$20 for each tax clearance application submitted [~~and \$5 for each certified copy of a tax clearance.~~].”

SECTION 2. Section 237-30.5, Hawaii Revised Statutes, is amended to read as follows:

~~“[§237-30.5]~~ **Collection of rental by third party; filing with department; statement required.** (a) Every person authorized under an agreement by the owner of real property located within this State to collect rent on behalf of [~~such~~] the owner shall be subject to this section.

(b) Every written rental collection agreement shall have on the first page of the agreement the name, address, social security number, and, if available, the general excise tax number of the owner of the real property being rented, the address of the property being rented, and the following statement [~~which~~] that shall be set forth in bold print and in ten-point type size:

“HAWAII GENERAL EXCISE TAXES MUST BE PAID ON THE GROSS RENTS COLLECTED BY ANY PERSON RENTING REAL PROPERTY IN THE STATE OF HAWAII. A COPY OF THE FIRST PAGE OF THIS AGREEMENT, OR OF FEDERAL INTERNAL REVENUE FORM 1099 STATING THE AMOUNT OF RENTS COLLECTED, SHALL BE FILED WITH THE HAWAII DEPARTMENT OF TAXATION.”

Every person entering an oral rental collection agreement shall furnish the department of taxation the information required under this subsection and shall give the owner of the property a copy of the notice required by this subsection.

(c) Every person authorized to collect rent for another person shall file a copy of the first page of the rental collection agreement with the department of taxation within thirty days after entering into the agreement, or shall file a copy of federal Internal Revenue form 1099, the property owner’s social security number, and, if available, the general excise tax license number of the owner of the property being rented with the department of taxation at the same time [~~as such~~] that the forms must be filed with the Internal Revenue Service.

(d) Every person authorized under an agreement by the owner of real property located within this State to collect rent on behalf of [~~such~~] the owner within ninety days after the effective date of this section shall furnish the department of taxation with the information required in subsection (b) and in the case of federal form 1099 [~~such~~] the form for the taxable year 1983. The person also shall notify the owner that [~~such~~] the information is being furnished and give the owner a copy of the notice required by subsection (b).

(e) Failure to comply with any provision of this section shall be unlawful. The department of taxation may issue a citation to any person who fails to comply with any provision of this section. A citation issued pursuant to this subsection shall include a monetary fine of no more than \$500 per violation. Any fine assessed under this subsection shall be due and payable thirty days after issuance, subject to appeal rights provided under this subsection. Citations may be appealed to the director or the director’s designee, and the determination of the director may be appealed to the circuit court pursuant to chapter 91.”

SECTION 3. Section 237-49, Hawaii Revised Statutes, is amended to read as follows:

“§237-49 Unfair competition; penalty. No taxpayer shall advertise or hold out to the public in any manner, directly or indirectly, that the tax hereby imposed upon the taxpayer is not considered as an element in the price to the purchaser. Any person violating this section shall be fined [~~not~~] no more than [~~\$50~~] \$1,000 for each offense.”

SECTION 4. Section 237D-8.5, Hawaii Revised Statutes, is amended to read as follows:

“[~~§~~§237D-8.5] Collection of rental by third party; filing with department; statement required. (a) Every person authorized under an agreement by the owner of transient accommodations located within this State to collect rent on behalf of [~~such~~] the owner shall be subject to this section.

(b) Every written rental collection agreement shall have on the first page of the agreement the name, address, social security or federal identification number, and, if available, the general excise tax license and transient accommodations tax registration numbers of the owner of the transient accommodations being rented, the address of the property being rented, and the following statement [which] that shall be set forth in bold print and in ten-point type size:

“HAWAII TRANSIENT ACCOMMODATIONS TAXES MUST BE PAID ON THE GROSS RENTS COLLECTED BY ANY PERSON RENTING TRANSIENT ACCOMMODATIONS IN THE STATE OF HAWAII. A COPY OF THE FIRST PAGE OF THIS AGREEMENT, OR OF FEDERAL INTERNAL REVENUE FORM 1099 STATING THE AMOUNT OF RENTS COLLECTED, SHALL BE FILED WITH THE HAWAII DEPARTMENT OF TAXATION.”

Every person entering an oral rental collection agreement shall furnish the department of taxation the information required under this subsection and shall give the owner of the property a copy of the notice required by this subsection. The statement required by this subsection may be combined with the statement required under section 237-30.5 by adding in bold print and in ten-point type size to the front of the statement in section 237-30.5 the following:

“HAWAII TRANSIENT ACCOMMODATIONS TAXES AND”.

(c) Every person authorized to collect rent for another person shall file a copy of the first page of the rental collection agreement with the department of taxation within ninety days after June 9, 1988, or within thirty days after entering into the agreement, or shall file a copy of federal Internal Revenue form 1099, the property owner’s social security or federal identification number, and, if available, the general excise tax license and transient accommodations tax registration numbers of the owner of [sueh] the property being rented with the department of taxation at the same time [as such] that the forms must be filed with the Internal Revenue Service for the applicable tax year. The person also shall notify the owner that [sueh] the information is being furnished and give the owner a copy of the notice required by subsection (b).

(d) If a person complies with the provisions of this section, the person shall be deemed to have complied with section 237-30.5.

(e) Failure to comply with any provision of this section shall be unlawful. The department of taxation may issue a citation to any person who fails to comply with any provision of this section. A citation issued pursuant to this subsection shall include a monetary fine of no more than \$500 per violation. Any fine assessed under this subsection shall be due and payable thirty days after issuance, subject to appeal rights provided under this subsection. Citations may be appealed to the director or the director’s designee, and the determination of the director may be appealed to the circuit court pursuant to chapter 91.”¹

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

(Approved June 21, 2024.)

Note

1. So in original.