
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that a recent business
2 pulse survey in the January 9, 2015, edition of the Pacific
3 Business News found that 71.5 per cent of respondents said "yes"
4 when asked, "Should home-based vacation rentals be subject to
5 the same transient accommodations tax (TAT) levied on hotel
6 rooms and time-shares?" 25.7 per cent of respondents said "no"
7 and 2.8 per cent were undecided. Although many home-based
8 vacation rentals are subject to the same transient
9 accommodations tax levied on hotel rooms and time shares, many
10 operators of transient accommodations and plan managers of
11 resort time share vacation plans have been circumventing the
12 law, creating an unfair advantage over their law-abiding
13 counterparts. In line with public sentiment on this issue, the
14 legislature finds that action is necessary to correct this
15 situation.

16 The purpose of this Act is to make permanent the changes
17 adopted by Act 326, Session laws of Hawaii 2012, and to allow
18 the department of taxation to enforce civil penalties for



1 operators and plan managers who fail to conspicuously display
2 the certificate of registration in the registered transient
3 accommodation.

4 SECTION 2. Section 237D-4, Hawaii Revised Statutes, is
5 amended by amending subsection (c) to read as follows:

6 "(c) Any person who may lawfully be required by the State,
7 and who is required by this chapter, to register as a condition
8 precedent to engaging or continuing in the business of
9 furnishing transient accommodations or as a plan manager subject
10 to taxation under this chapter, who engages or continues in the
11 business without registering in conformity with this chapter,
12 shall be guilty of a misdemeanor. Any director, president,
13 secretary, or treasurer of a corporation who permits, aids, or
14 abets such corporation to engage or continue in business without
15 registering in conformity with this chapter, shall likewise be
16 guilty of a misdemeanor. The penalty for the misdemeanors shall
17 be that prescribed by section 231-34 for individuals,
18 corporations, or officers of corporations, as the case may be,
19 for violation of that section.

20 The department may issue cease and desist citations to any
21 operator or plan manager who fails to conspicuously display the



1 registration or notice as required by this section. A cease and
2 desist citation may include a monetary fine for any unlawful
3 act. Any fine assessed under this section:

- 4 (1) Shall be retained and deposited into the tax
5 administration special fund;
- 6 (2) Shall be due and payable thirty days after issuance,
7 subject to appeal rights provided under paragraph (3);
8 and
- 9 (3) May be appealed to the director of taxation or the
10 director's designee, and the determination of the
11 director may be appealed to the circuit court,
12 pursuant to chapter 91."

13 SECTION 3. Act 326, Session Laws of Hawaii 2012, is
14 amended by amending section 4 to read as follows:

15 "SECTION 4. This Act shall take effect on July 1, 2012[+
16 ~~provided that this Act shall be repealed on December 31, 2015]."~~

17 SECTION 4. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Vacation Rentals; Transient Accommodations Tax; Registration;
Advertisements

Description:

Makes Act 326, Session Laws of Hawaii 2012, permanent.
Authorizes the department of taxation to enforce civil penalties
for operators and plan managers who fail to conspicuously
display the certificate of registration for transient
accommodations. (SD1)

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not legislation or evidence of legislative intent.*

