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## A BILL FOR AN ACT

RELATING TO 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 [~~\$2 a day,~~  
5 ~~except that for the period of September 1, 1999, to August 31,~~  
6 ~~2008, the tax shall be \$3]~~ \$ \_\_\_\_\_ a day, or any portion of  
7 a day that a rental motor vehicle is rented or leased. The  
8 rental motor vehicle surcharge tax shall be levied upon the  
9 lessor; provided that the tax shall not be levied on the lessor  
10 if:

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

17 SECTION 2. The department of transportation shall provide  
18 recommendations to the legislature for additional revenue-



1 generating initiatives that will replenish the state highway  
2 fund, created by section 248-8, Hawaii Revised Statutes, no  
3 later than twenty days prior to the convening of the regular  
4 session of 2009.

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 Statutory material to be repealed is bracketed  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

7 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Rental Motor Vehicle Surcharge Tax; State Highway Fund

**Description:**

Repeals the \$2 a day rate of the rental motor vehicle surcharge tax, in effect from September 1, 1999, to August 31, 2008; changes the \$3 a day rate to an unspecified amount; requires the department of transportation to report additional revenue-generating initiatives to the legislature. (SD2)

