
A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The legislature finds that the State needs a
2 better reporting system with respect to transient accommodations
3 tax revenues collected from residential properties. Better
4 reporting will enable the State to provide a more comprehensive
5 tax system that is more equitable and cost-effective. In
6 addition, better enforcement is needed to ensure that owners of
7 vacation rentals and bed and breakfast establishments comply
8 with the transient accommodations tax law.

9 The purpose of this Act is to:

10 (1) Require the department of taxation to coordinate with
11 the Hawaii tourism authority and each respective
12 county to identify owners of residential properties
13 subject to the transient accommodations tax who
14 operate vacation rentals -- where the owner does not
15 reside on the property -- and bed and breakfast
16 establishments -- where the owner resides on the
17 property;



- 1 (2) Allow the department of taxation to coordinate with
2 the Hawaii tourism authority and each respective
3 county to conduct audits of the owners of residential
4 properties who operate vacation rentals and bed and
5 breakfast establishments and take other administrative
6 and enforcement actions necessary to ensure compliance
7 with applicable statutes, rules, ordinances, and other
8 provisions of the law relating to the transient
9 accommodations tax;
- 10 (3) Require the department of taxation to report annually
11 to the legislature on transient accommodations tax
12 revenues received from owners of residential
13 properties who operate vacation rentals and bed and
14 breakfast establishments; and
- 15 (4) Require the department of taxation to review the forms
16 and process relating to the collection of the
17 transient accommodations tax from vacation rentals and
18 bed and breakfast establishments and submit a report
19 on the results of the review to the legislature at
20 least twenty days before the regular session of 2008.



1 SECTION 2. Chapter 237D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237D- Vacation rentals and bed and breakfast
5 establishments; enforcement; reporting. (a) The department
6 shall coordinate with the Hawaii tourism authority and each
7 county to identify owners of residential properties subject to
8 this chapter who operate:

9 (1) Vacation rentals, that is, when the owner does not
10 reside on the property; and

11 (2) Bed and breakfast establishments, that is, when the
12 owner resides on the property.

13 (b) The department may coordinate with the Hawaii tourism
14 authority and each county to conduct audits of the owners of
15 residential property subject to this chapter who operate
16 vacation rentals and bed and breakfast establishments and take
17 other administrative and enforcement actions necessary to ensure
18 compliance with applicable statutes, rules, ordinances, and
19 other provisions of this chapter.

20 (c) The department shall report annually to the
21 legislature on tax revenues received under this chapter from



1 owners of residential properties subject to this chapter who
2 operate vacation rentals and bed and breakfast establishments.

3 (d) For the purposes of this section, the department shall
4 establish criteria to identify vacation rentals and bed and
5 breakfast establishments."

6 SECTION 3. The department of taxation shall review the
7 forms and process for the collection of the transient
8 accommodations tax and include separate categories of collection
9 for residential properties used as vacation rentals and bed and
10 breakfast establishments.

11 The department of taxation shall report the results of its
12 review and report any findings and recommendations to the
13 legislature at least twenty days prior to the convening of the
14 regular session of 2008.

15 SECTION 4. New statutory material is underscored.

16 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

Ray L. Aaron



Report Title:

TAT; Vacation Rentals; Bed and Breakfast

Description:

Requires department of taxation to review the forms and process for collecting the transient accommodations tax from vacation rentals and bed and breakfast establishments and report revenues received from them. Requires department of taxation to work with Hawaii tourism authority and counties to identify owners operating vacation rentals and bed and breakfast establishments and enforce transient accommodations tax compliance.

