

JAN 23 2009

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. Section 248-2.6, Hawaii Revised Statutes, is  
2 amended as follows:

3           1. By amending subsection (a) to read:

4           "(a) If adopted by county ordinance, all county surcharges  
5 on state tax collected by the director of taxation shall be paid  
6 into the state treasury quarterly, within ten working days after  
7 collection, and shall be placed by the director of finance in  
8 special accounts. Out of the revenues generated by county  
9 surcharges on state tax paid into each respective state treasury  
10 special account, the director of finance shall deduct [~~ten per~~  
11 ~~cent of~~] from the gross proceeds of a respective county's  
12 surcharge on state tax an amount equal to the costs under  
13 subsection (c) to reimburse the State for the costs of  
14 assessment, collection, and disposition of the county surcharge  
15 on state tax incurred by the State. Amounts retained shall be  
16 general fund realizations of the State."

17           2. By amending subsection (c) to read:



1           "(c) For the purpose of this section, the costs of  
2 assessment, collection, and disposition of the county surcharges  
3 on state tax [~~shall include any and all~~] shall be limited to the  
4 actual direct costs [~~, direct or indirect,~~] that are deemed  
5 necessary and proper to effectively administer this section and  
6 sections 237-8.6 and 238-2.6[-]; provided that in no event shall  
7 the deduction for costs exceed           per cent of the gross  
8 proceeds of a respective county's surcharge on state tax."

9           SECTION 2. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11           SECTION 3. This Act shall take effect on July 1, 2009, and  
12 shall be repealed on December 31, 2022.

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INTRODUCED BY: *Nike Hubbard*  
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*[Signature]*  
*[Signature]*



**Report Title:**

County Surcharge on Excise Tax

**Description:**

Allows counties to retain all of surcharge on excise tax.  
Requires counties to reimburse State through a deduction for  
administrative expenses in collecting the tax.

