
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. Section 237D-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§237D-2 Imposition and rates. (a) There is levied and
4 shall be assessed and collected each month a tax of:

5 (1) Five per cent for the period beginning on January 1,
6 1987, to June 30, 1994;

7 (2) Six per cent for the period beginning July 1, 1994, to
8 December 31, 1998; and

9 (3) 7.25 per cent for the period beginning on January 1,
10 1999, and thereafter;

11 on the gross rental or gross rental proceeds derived from
12 furnishing transient accommodations.

13 (b) There is levied and shall be assessed and collected
14 each month an additional:

15 (1) One per cent for the period beginning July 1, 2009, to
16 June 30, 2010; and

17 (2) Two per cent for the period beginning July 1, 2010, to
18 June 30, 2015;



1 on the gross rental or gross rental proceeds derived from
2 furnishing transient accommodations. The rate levied and
3 assessed under this subsection shall be additional to the rate
4 levied and assessed under [~~section 237D-2(a)(3).~~] subsection
5 (a)(3).

6 (c) There is levied and shall be assessed and collected
7 each month a daily tax of \$10 for every transient accommodation
8 that is furnished on a complimentary or gratuitous basis, or
9 otherwise at no charge, including transient accommodations
10 furnished as part of a package.

11 [~~(e)~~] (d) Every operator shall pay to the State the tax
12 imposed by subsections (a) [~~and~~], (b), and (c), as applicable,
13 as provided in this chapter.

14 [~~(d)~~] (e) There is levied and shall be assessed and
15 collected each month, on the occupant of a resort time share
16 vacation unit, a transient accommodations tax of 7.25 per cent
17 on the fair market rental value.

18 [~~(e)~~] (f) Every plan manager shall be liable for and pay
19 to the State the transient accommodations tax imposed by
20 subsection [~~(d)~~] (e) as provided in this chapter. Every resort
21 time share vacation plan shall be represented by a plan manager
22 who shall be subject to this chapter."



1 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Revenues collected under this chapter, except for
4 revenues collected under section 237D-2(b), shall be distributed
5 as follows, with the excess revenues to be deposited into the
6 general fund:

7 (1) 17.3 per cent of the revenues collected under this
8 chapter shall be deposited into the convention center
9 enterprise special fund established under section
10 201B-8; provided that beginning January 1, 2002, if
11 the amount of the revenue collected under this
12 paragraph exceeds \$33,000,000 in any calendar year,
13 revenues collected in excess of \$33,000,000 shall be
14 deposited into the general fund;

15 (2) 34.2 per cent of the revenues collected under this
16 chapter shall be deposited into the tourism special
17 fund established under section 201B-11 for tourism
18 promotion and visitor industry research; provided that
19 for any period beginning on July 1, 2011, and ending
20 on June 30, 2015, no more than \$69,000,000 per fiscal
21 year shall be deposited into the tourism special fund
22 established under section 201B-11; and provided



1 further that beginning on July 1, 2002, of the first
2 \$1,000,000 in revenues deposited:
3 (A) Ninety per cent shall be deposited into the state
4 parks special fund established in section
5 184-3.4; and
6 (B) Ten per cent shall be deposited into the special
7 land and development fund established in section
8 171-19 for the Hawaii statewide trail and access
9 program;
10 provided that of the 34.2 per cent, 0.5 per cent shall
11 be transferred to a sub-account in the tourism special
12 fund to provide funding for a safety and security
13 budget, in accordance with the Hawaii tourism
14 strategic plan 2005-2015; provided further that of the
15 revenues remaining in the tourism special fund after
16 revenues have been deposited as provided in this
17 paragraph and except for any sum authorized by the
18 legislature for expenditure from revenues subject to
19 this paragraph, beginning July 1, 2007, funds shall be
20 deposited into the tourism emergency trust fund,
21 established in section 201B-10, in a manner sufficient



1 to maintain a fund balance of \$5,000,000 in the
 2 tourism emergency trust fund; and
 3 (3) 44.8 per cent of the revenues collected under this
 4 chapter shall be transferred as follows: Kauai county
 5 shall receive 14.5 per cent, Hawaii county shall
 6 receive 18.6 per cent, city and county of Honolulu
 7 shall receive 44.1 per cent, and Maui county shall
 8 receive 22.8 per cent [-]; provided that for any period
 9 beginning on July 1, 2011, and ending on June 30,
 10 2015, the total amount transferred to the counties
 11 shall not exceed \$93,000,000 per fiscal year.

12 Revenues collected under section 237D-2(b) shall be
 13 deposited into the general fund. All transient accommodations
 14 taxes shall be paid into the state treasury each month within
 15 ten days after collection and shall be kept by the state
 16 director of finance in special accounts for distribution as
 17 provided in this subsection."

18 SECTION 3. Statutory material to be repealed is bracketed
 19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2011;
 21 provided that section 2 of this Act shall be repealed on
 22 June 30, 2015, and section 237D-6.5, Hawaii Revised Statutes,

- 1 shall be reenacted in the form in which it read on June 30,
- 2 2009, pursuant to Act 61, Session Laws of Hawaii 2009.



Report Title:

Transient Accommodations Tax; Minimum Daily Tax; Time Share Rate; County Distribution

Description:

Applies a daily transient accommodations tax to each transient accommodation furnished on a complimentary or gratuitous basis, or otherwise at no charge. Imposes a ceiling on the amount of transient accommodation tax funds transferred to the tourism special fund and to the counties from 7/1/2011 through 6/30/2015. (CD1)

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