

JAN 21 2011

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 251-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§251-2 Rental motor vehicle and tour vehicle surcharge

4 tax. (a) There is levied and shall be assessed and collected

5 each month a rental motor vehicle surcharge tax of \$2 a day,

6 except that for the period of September 1, 1999, to August 31,

7 2011, the tax shall be \$3 a day, or any portion of a day that a

8 rental motor vehicle is rented or leased. The rental motor

9 vehicle surcharge tax shall be levied upon the lessor; provided

10 that the tax shall not be levied on the lessor if:

11 (1) The lessor is renting a new qualified plug-in electric

12 drive motor vehicle; or

13 [~~1~~] (2) The lessor is renting the vehicle to replace a
14 vehicle of the lessee that is being repaired; and

15 [~~2~~] (3) A record of the repair order for the vehicle is
16 retained either by the lessor for two years for

17 verification purposes or by a motor vehicle repair

18 dealer for two years as provided in section 437B-16.



1 (b) There is levied and shall be assessed and collected
2 each month a tour vehicle surcharge tax of:

3 (1) \$65 for each tour vehicle used or partially used
4 during the month that falls into the over twenty-five
5 passenger seat category; and

6 (2) \$15 for each tour vehicle used or partially used
7 during the month that falls into the eight to twenty-
8 five passenger seat category.

9 The tour vehicle surcharge tax shall be levied upon the
10 tour vehicle operator.

11 (c) For purposes of this section:

12 "Capacity" means, with respect to any battery, the quantity
13 of electricity which the battery is capable of storing,
14 expressed in kilowatt hours, as measured from a one hundred per
15 cent state of charge to a zero per cent state of charge.

16 "Manufacturer" means any person engaged in the business of
17 manufacturing or assembling new motor vehicles or new motor
18 vehicle engines.

19 "Motor vehicle" means any self-propelled vehicle which is
20 designed and manufactured for transporting persons or property
21 on a public street, road, or highway (not including a vehicle



1 operated exclusively on a rail or rails) and which has at least
2 four wheels.

3 "New qualified plug-in electric drive motor vehicle" means
4 a motor vehicle which is:

- 5 (1) Originally used by the taxpayer for purposes of
6 transporting persons or property;
- 7 (2) Acquired for use or lease by the taxpayer and not for
8 resale;
- 9 (3) Made by a manufacturer;
- 10 (4) Treated as a motor vehicle;
- 11 (5) Less than a gross vehicle weight rating of fourteen
12 thousand pounds; and
- 13 (6) Propelled to a significant extent by an electric motor
14 that draws electricity from a battery that:
 - 15 (A) Has a capacity of not less than four kilowatt
16 hours; and
 - 17 (B) Is capable of being recharged from an external
18 source of electricity."

19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21



1 SECTION 3. This Act shall take effect on July 1, 2011.

2

INTRODUCED BY:

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Report Title:

Rental Motor Vehicle Surcharge; Tax Exemption; Electric Vehicles

Description:

Provides a rental motor vehicle surcharge tax exemption for new qualified plug-in electric drive motor vehicles.

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