
A BILL FOR AN ACT

RELATING TO A CAR-SHARING VEHICLE SURCHARGE TAX.

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

1 SECTION 1. The purpose of this Act is to create a car-
2 sharing vehicle surcharge tax.

3 SECTION 2. Chapter 251, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§251- Car-sharing vehicle surcharge tax. (a) There is
7 levied and shall be assessed and collected a car-sharing vehicle
8 surcharge tax of 25 cents per half-hour, or any portion of a
9 half-hour, that a rental motor vehicle is rented or leased by a
10 car-sharing organization; provided that for each rental of six
11 hours or more, the tax shall be assessed in a manner provided in
12 section 251-2. The car-sharing vehicle surcharge tax shall be
13 levied upon the car-sharing organization.

14 (b) An organization that qualifies as a car-sharing
15 organization as defined in section 251-1, that is registered
16 with the department pursuant to section 251-3, and that is
17 subject to the surcharges imposed by this section shall not be
18 subject to the surcharges imposed by section 251-2; provided



1 that any organization registered with the department pursuant to
2 section 251-3 shall be subject to at least one surcharge imposed
3 by this chapter."

4 SECTION 3. Section 251-1, Hawaii Revised Statutes, is
5 amended by adding a new definition to be appropriately inserted
6 and to read as follows:

7 "Car-sharing organization" means a rental motor vehicle
8 lessor that operates a membership program in which:

- 9 (1) Self-service access to a fleet of vehicles is
10 provided, with or without requiring a reservation,
11 exclusively to members of the organization who have
12 paid a membership fee;
- 13 (2) Members are charged a usage rate, either hourly or by
14 the minute, for each use of a vehicle;
- 15 (3) Members are not required to enter into a separate
16 written agreement with the organization each time the
17 member reserves and uses a vehicle; and
- 18 (4) The average paid use period for all vehicles provided
19 by the organization during any taxable period is six
20 hours or less."

21 SECTION 4. Chapter 251, Hawaii Revised Statutes, is
22 amended by amending its title to read as follows:



1 " [{}]CHAPTER 251[{}]
 2 RENTAL MOTOR VEHICLE [AND], TOUR VEHICLE, AND CAR-SHARING
 3 VEHICLE SURCHARGE TAX"

4 SECTION 5. Section 251-3, Hawaii Revised Statutes, is
 5 amended by amending subsection (a) to read as follows:

6 "(a) Each person as a condition precedent to engaging or
 7 continuing in the business of providing rental motor vehicles to
 8 the public [eæ], engaging or continuing in the tour vehicle
 9 operator business, or engaging or continuing in a car-sharing
 10 organization business shall register with the director. A
 11 person required to so register shall make a one-time payment of
 12 \$20, upon receipt of which the director shall issue a
 13 certificate of registration in such form as the director
 14 determines, attesting that the registration has been made. The
 15 registration shall not be transferable and shall be valid only
 16 for the person in whose name it is issued and for the
 17 transaction of business at the place designated therein. The
 18 registration, or in lieu thereof a notice stating where the
 19 registration may be inspected and examined, shall at all times
 20 be conspicuously displayed at the place for which it is issued."

21 SECTION 6. Section 437D-8.4, Hawaii Revised Statutes, is
 22 amended by amending subsection (a) to read as follows:

1 "(a) Notwithstanding any law to the contrary, a lessor may
2 visibly pass on to a lessee:

3 (1) The general excise tax attributable to the
4 transaction;

5 (2) The vehicle license and registration fee and weight
6 taxes, prorated at 1/365th of the annual vehicle
7 license and registration fee and weight taxes actually
8 paid on the particular vehicle being rented for each
9 full or partial twenty-four-hour rental day that the
10 vehicle is rented; provided the total of all vehicle
11 license and registration fees charged to all lessees
12 shall not exceed the annual vehicle license and
13 registration fee actually paid for the particular
14 vehicle rented;

15 (3) The [~~rental motor vehicle~~] surcharge [~~tax as provided~~
16 ~~in section 251-2~~] taxes imposed in chapter 251
17 attributable to the transaction;

18 (4) The county surcharge on state tax under section 46-
19 16.8; provided that the lessor itemizes the tax for
20 the lessee; and

21 (5) The rents or fees paid to the department of
22 transportation under concession contracts negotiated



1 pursuant to chapter 102, service permits granted
2 pursuant to title 19, Hawaii Administrative Rules, or
3 rental motor vehicle customer facility charges
4 established pursuant to section 261-7; provided that:

5 (A) The rents or fees are limited to amounts that can
6 be attributed to the proceeds of the particular
7 transaction;

8 (B) The rents or fees shall not exceed the lessor's
9 net payments to the department of transportation
10 made under concession contract or service permit;

11 (C) The lessor submits to the department of
12 transportation and the department of commerce and
13 consumer affairs a statement, verified by a
14 certified public accountant as correct, that
15 reports the amounts of the rents or fees paid to
16 the department of transportation pursuant to the
17 applicable concession contract or service permit:

18 (i) For all airport locations; and

19 (ii) For each airport location;

20 (D) The lessor submits to the department of
21 transportation and the department of commerce and
22 consumer affairs a statement, verified by a



1 certified public accountant as correct, that
2 reports the amounts charged to lessees:

- 3 (i) For all airport locations;
- 4 (ii) For each airport location; and
- 5 (iii) For each lessee;

6 (E) The lessor includes in these reports the
7 methodology used to determine the amount of fees
8 charged to each lessee; and

9 (F) The lessor submits the above information to the
10 department of transportation and the department
11 of commerce and consumer affairs within three
12 months of the end of the preceding annual
13 accounting period or contract year as determined
14 by the applicable concession agreement or service
15 permit.

16 The respective departments, in their sole discretion,
17 may extend the time to submit the statement required
18 in this subsection. If the director determines that
19 an examination of the lessor's information is
20 inappropriate under this subsection and the lessor
21 fails to correct the matter within ninety days, the
22 director may conduct an examination and charge a



1 lessor an examination fee based upon the cost per hour
2 per examiner for evaluating, investigating, and
3 verifying compliance with this subsection, as well as
4 additional amounts for travel, per diem, mileage, and
5 other reasonable expenses incurred in connection with
6 the examination, which shall relate solely to the
7 requirements of this subsection, and which shall be
8 billed by the departments as soon as feasible after
9 the close of the examination. The cost per hour shall
10 be \$40 or as may be established by rules adopted by
11 the director. The lessor shall pay the amounts billed
12 within thirty days following the billing. All moneys
13 collected by the director shall be credited to the
14 compliance resolution fund."

15 SECTION 7. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect on January 1, 2015;
18 provided that the amendments made by section 6 of this Act to
19 section 437D-8.4(a), Hawaii Revised Statutes, shall not be
20 repealed when section 437D-8.4, Hawaii Revised Statutes, is
21 reenacted on December 31, 2022, pursuant to section 21 of Act
22 11, Session Laws of Hawaii 2009.



Report Title:

Car-sharing Vehicle Surcharge Tax

Description:

Establishes a car-sharing vehicle surcharge tax. Effective January 1, 2015. (SB2731 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

