
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 237D-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "fair market rental value"
3 to read as follows:

4 "Fair market rental value" means an amount equal to one-
5 half of the gross daily maintenance fees that are paid by the
6 owner[~~,-~~] and are attributable to the time share unit[~~,-and~~]
7 located in Hawaii. Gross daily maintenance fees include
8 maintenance costs, operational costs, insurance, repair costs,
9 administrative costs, taxes, other than transient accommodations
10 taxes, resort fees, and other costs including payments required
11 for reserves or sinking funds. [~~The taxpayer shall use gross~~
12 ~~daily maintenance fees, unless the taxpayer proves or the~~
13 ~~director determines that the gross daily maintenance fees do not~~
14 ~~fairly represent fair market rental value taking into account~~
15 ~~comparable transient accommodation rentals or other appraisal~~
16 ~~methods-] Amounts paid for optional goods and services such as
17 food and beverage services or beach chair or umbrella rentals
18 shall be excluded from fair market rental value."~~



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

3 "(c) There is levied and shall be assessed and collected
4 each month, on the occupant of a resort time share vacation
5 unit, a transient accommodations tax of:

6 (1) 7.25 per cent on the fair market rental value[-] until
7 December 31, 2015;

8 (2) 8.25 per cent on the fair market rental value for the
9 period beginning on January 1, 2016, to December 31,
10 2016; and

11 (3) 9.25 per cent on the fair market rental value for the
12 period beginning on January 1, 2017, and thereafter."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on January 1, 2016.



Report Title:

Transient Accommodations Tax; Increase; Resort Time Share
Vacation Units

Description:

Amends the definition of fair market rental value. Increases the transient accommodations tax imposed on resort time share vacation units by 1 per cent each year to gradually achieve a rate of 9.25 per cent of the fair market rental value. (HB169 CD1)

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