
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 the gross daily maintenance fees that are paid by the
6 owner, are attributable to the time share unit, and include
7 maintenance costs, operational costs, insurance, repair costs,
8 administrative costs, taxes, other than transient accommodations
9 taxes, and other costs including payments required for reserves
10 or sinking funds. [~~The taxpayer shall use gross daily
11 maintenance fees, unless the taxpayer proves or the director
12 determines that the gross daily maintenance fees do not fairly
13 represent fair market rental value taking into account
14 comparable transient accommodation rentals or other appraisal
15 methods.] "~~

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



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

4 (1) 7.25 per cent on the fair market rental value[-] until
5 June 30, 2015;

6 (2) 8.25 per cent on the fair market rental value for the
7 period beginning on July 1, 2015, to June 30, 2016;
8 and

9 (3) 9.25 per cent on the fair market rental value for the
10 period beginning on July 1, 2016, and thereafter."

11 SECTION 3. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on July 1, 2015.



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. (SD1)

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