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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (c) to read:

4 "(c) Each county that has not established a surcharge on  
5 state tax prior to July 1, 2015, may establish the surcharge at  
6 the rates enumerated in sections 237-8.6 and 238-2.6. A county  
7 electing to establish this surcharge shall do so by ordinance;  
8 provided that:

9 (1) No ordinance shall be adopted until the county has  
10 conducted a public hearing on the proposed ordinance;

11 (2) The ordinance shall be adopted prior to ~~March 31,~~  
12 June 30, 2018; and

13 (3) No county surcharge on state tax that may be  
14 authorized under this subsection shall be levied prior  
15 to January 1, 2019, or after December 31, 2030.

16 A county electing to exercise the authority granted under  
17 this subsection shall notify the director of taxation within ten



1 days after the county has adopted a surcharge on state tax  
2 ordinance. Beginning on January 1, 2019, the director of  
3 taxation shall levy, assess, collect, and otherwise administer  
4 the county surcharge on state tax."

5 2. By amending subsection (f) to read:

6 "(f) Each county with a population equal to or less than  
7 five hundred thousand that adopts a county surcharge on state  
8 tax ordinance pursuant to this section shall use the surcharges  
9 received from the State for:

10 (1) Operating or capital costs of public transportation  
11 within each county for public transportation systems,  
12 including public roadways or highways, public buses,  
13 trains, ferries, pedestrian paths or sidewalks, or  
14 bicycle paths; and

15 (2) Expenses in complying with the Americans with  
16 Disabilities Act of 1990 with respect to paragraph

17 (1) ~~(1)~~;

18 provided that no less than sixty per cent of the surcharges  
19 received shall be used for the purposes set forth in paragraph  
20 (1); provided further that no more than two per cent of the



1 surcharges received may be used for any roadway used by the  
2 general public."

3 SECTION 2. Section 237-8.6, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) Each county surcharge on state tax that may be  
6 adopted or extended pursuant to section 46-16.8 shall be levied  
7 beginning in a taxable year after the adoption of the relevant  
8 county ordinance; provided that no surcharge on state tax may be  
9 levied:

10 (1) Prior to:

11 (A) January 1, 2007, if the county surcharge on state  
12 tax was established by an ordinance adopted prior  
13 to December 31, 2005; or

14 (B) January 1, 2019, if the county surcharge on state  
15 tax was established by the adoption of an  
16 ordinance after June 30, 2015, but prior to  
17 [~~March 31,~~] June 30, 2018; and

18 (2) After December 31, 2030."

19 SECTION 3. Section 238-2.6, Hawaii Revised Statutes, is  
20 amended by amending subsection (b) to read as follows:



1           "(b) Each county surcharge on state tax that may be  
2 adopted or extended shall be levied beginning in a taxable year  
3 after the adoption of the relevant county ordinance; provided  
4 that no surcharge on state tax may be levied:

5           (1) Prior to:

6                   (A) January 1, 2007, if the county surcharge on state  
7 tax was established by an ordinance adopted prior  
8 to December 31, 2005; or

9                   (B) January 1, 2019, if the county surcharge on state  
10 tax was established by the adoption of an  
11 ordinance after June 30, 2015, but prior to  
12 [~~March 31,~~] June 30, 2018; and

13           (2) After December 31, 2030."

14           SECTION 4. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16           SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

General Excise Tax; County Surcharge on State Tax; Extension

**Description:**

Extends by 3 months the period in which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2018 to 6/30/2018. Specifies, for a county with a population equal to or less than 500,000 that adopts a surcharge, how certain percentages of the surcharge may be used. (SD2)

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

