A BILL FOR AN ACT

RELATING TO VEHICLES.

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

SECTION 1. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§235- Motor vehicle trade-in tax credit. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter, a motor vehicle trade-in tax credit which shall be deductible from the taxpayer's net income liability imposed by this chapter for the taxable year in which the credit is properly claimed.

(b) The amount of the credit shall be $_____; provided that:

(1) The taxpayer traded in a personal motor vehicle free and clear of all liens;

(2) The taxpayer purchased a new personal motor vehicle;

and

(3) The trade-in and purchase occurred in the same taxable year in which the credit is being claimed."
(c) If the tax credit under this section exceeds the taxpayer's net income tax liability, the excess of the credit over liability shall be refunded to the taxpayer; provided that:

(1) The tax credit properly claimed by a taxpayer who has no income tax liability shall be paid to the taxpayer; and

(2) No refunds or payments on account of the tax credit under this section shall be made for amounts less than $1.

(d) The director of taxation:

(1) Shall prepare any forms that may be necessary to claim a tax credit under this section;

(2) May require the taxpayer to furnish proof of the claim for the tax credit; and

(3) May adopt rules pursuant to chapter 91 necessary to effectuate the purposes of this section.

(e) All of the provisions relating to assessment and refunds under this chapter and under section 231-23(c)(1) shall apply to the tax credit under this section.

(f) All claims for the tax credit under this section, including amended claims, shall be filed on or before the end of
the twelfth month following the close of the taxable year for which the credits may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit."

SECTION 2. Section 286-41, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Application for the registration of a vehicle shall be made upon the appropriate form furnished by the director of finance and shall contain the name, occupation, and address of the owner and legal owner; and, if the applicant is a member of the United States naval or military forces, the applicant shall give the organization and station. All applications shall also contain a description of the vehicle, including the name of the maker, the type of fuel for the use of which it is adapted (e.g., gasoline, diesel oil, liquefied petroleum gas), the serial or motor number, and the date first sold by the manufacturer or dealer, and such further description of the vehicle as is called for in the form, and such other information as may be required by the director of finance, to establish legal ownership. All applications shall be accompanied by proof that the applicant has available parking that is not on a public
street for the vehicle as determined by the director of finance.

A person applying for initial registration of a neighborhood electric vehicle shall certify in writing that a notice of the operational restrictions applying to the vehicle as provided in section 291C-134 are contained on a permanent notice attached to or painted on the vehicle in a location that is in clear view of the driver."

SECTION 3. Section 286-51, Hawaii Revised Statutes, is amended to read as follows:

"§286-51 Registration, expense. (a) The certificate of registration for each motor vehicle in the counties of the State shall be renewed on a staggered basis as established by each county. The director of finance of each county may adopt rules to carry out the purposes stated in this section and shall expend the necessary funds from the director's operating funds as may be necessary for these purposes; provided that the director of finance, if the director has ascertained as of the date of the application that the registered owner has not deposited or paid bail with respect to any summons or citation issued to the registered owner for stopping, standing, or parking in violation of traffic ordinances within the county,
may require, as a condition precedent to the renewal, that the registered owner deposit or pay bail with respect to all such summonses or citations. The certificates of registration issued hereunder shall show, in addition to all information required under section 286-47, the serial number of the tag or emblem and shall be valid during the registration year only for which they are issued. The certificates of ownership need not be renewed annually but shall remain valid as to any interest shown therein until canceled by the director of finance as provided by law or replaced by new certificates of ownership as hereinafter provided.

(b) This part shall be administered by the director of finance in conjunction with the requirements of sections 249-1 to 249-13 and shall entail no additional expense or charge to the person registering the ownership of a motor vehicle other than as provided by this section or by other laws; provided that for each new certificate of ownership issued by the director of finance under section 286-52, the director of finance may charge a fee which shall be deposited in the general fund. The fees charged to issue a new certificate of ownership shall be
established by the county's legislative body[—] except as
provided in subsection (c).

Notwithstanding any other law to the contrary, an
additional fee of not more than $1 for each certificate of
registration for a U-drive motor vehicle and $2 for each
certificate of registration for all other motor vehicles may be
established by ordinance and collected annually by the director
of finance of each county, to be used and administered by each
county:

(1) For the purpose of beautification and other related
activities of highways under the ownership, control,
and jurisdiction of each county; and

(2) To defray the additional cost in the disposition and
other related activities of abandoned or derelict
vehicles as prescribed in chapter 290. For the
purposes of this paragraph, other related activities
shall include but need not be limited to any and all
storage fees that are negotiated between each county
and a towing company contracted by the county to
remove and dispose of abandoned or derelict vehicles.
The $2 fee established pursuant to this subsection for certificates of registration for motor vehicles other than U-drive motor vehicles may be increased by ordinance up to a maximum of $10; provided that all amounts received from any fee increase over $2 shall be expended only for the purposes of paragraph (2). The moneys so assessed and collected shall be placed in a revolving fund entitled, "the highway beautification and disposal of abandoned or derelict vehicles revolving fund".

(c) Notwithstanding any law to the contrary, the director of finance shall charge an additional fee of $ upon all certificates of registration issued to any individual who holds three or more unexpired certificates of registration for motor vehicles owned by the individual in an individual capacity at the time the certificates of registration are issued. The fee charged and collected annually by the director of finance under this subsection shall be placed in the revolving fund established pursuant to subsection (b) and shall be used and administered in the manner and for the purposes listed in subsections (b)(1) and (b)(2)."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.
SECTION 5. This Act shall take effect on January 1, 2020; provided that section 1 shall apply to taxable years beginning after December 31, 2019.

INTRODUCED BY: 

[Signatures]

[Signatures]
H.B. NO. 835

SIGNED BY HOUSE

JAN 22 2019
Report Title:
Motor Vehicle Trade-in Tax Credit; Proof of Off-Street Parking; Motor Vehicle Certificate of Registration; Fee

Description:
Provides a tax credit to a taxpayer who trades-in a personal motor vehicle and purchases a new motor vehicle in the taxable year. Requires proof of off-street parking for a certificate of registration for a motor vehicle. Requires the director of finance to charge an additional fee for certificates of registration issued to an individual who holds three or more unexpired certificates of registration for motor vehicles owned in an individual capacity at the time the certificate of registration is issued.

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