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# A BILL FOR AN ACT

RELATING TO VEHICLES.

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

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

4           "§235-     Motor vehicle trade-in tax credit. (a) There  
5 shall be allowed to each taxpayer subject to the taxes imposed  
6 by this chapter, a motor vehicle trade-in tax credit which shall  
7 be deductible from the taxpayer's net income liability imposed  
8 by this chapter for the taxable year in which the credit is  
9 properly claimed.

10           (b) The amount of the credit shall be \$           ; provided  
11 that:

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

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

16           (3) The trade-in and purchase occurred in the same taxable  
17 year in which the credit is being claimed.



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1        (c) If the tax credit under this section exceeds the  
2 taxpayer's net income tax liability, the excess of the credit  
3 over liability shall be refunded to the taxpayer; provided that:

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

7        (2) No refunds or payments on account of the tax credit  
8 under this section shall be made for amounts less than  
9 \$1.

10       (d) The director of taxation:

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

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

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

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

20       (f) All claims for the tax credit under this section,  
21 including amended claims, shall be filed on or before the end of



1 the twelfth month following the close of the taxable year for  
2 which the credits may be claimed. Failure to comply with the  
3 foregoing provision shall constitute a waiver of the right to  
4 claim the credit."

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

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



1 street for the vehicle as determined by the director of finance.

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

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

10 "§286-51 Registration, expense. (a) The certificate of  
11 registration for each motor vehicle in the counties of the State  
12 shall be renewed on a staggered basis as established by each  
13 county. The director of finance of each county may adopt rules  
14 to carry out the purposes stated in this section and shall  
15 expend the necessary funds from the director's operating funds  
16 as may be necessary for these purposes; provided that the  
17 director of finance, if the director has ascertained as of the  
18 date of the application that the registered owner has not  
19 deposited or paid bail with respect to any summons or citation  
20 issued to the registered owner for stopping, standing, or  
21 parking in violation of traffic ordinances within the county,



1 may require, as a condition precedent to the renewal, that the  
2 registered owner deposit or pay bail with respect to all such  
3 summonses or citations. The certificates of registration issued  
4 hereunder shall show, in addition to all information required  
5 under section 286-47, the serial number of the tag or emblem and  
6 shall be valid during the registration year only for which they  
7 are issued. The certificates of ownership need not be renewed  
8 annually but shall remain valid as to any interest shown therein  
9 until canceled by the director of finance as provided by law or  
10 replaced by new certificates of ownership as hereinafter  
11 provided.

12 (b) This part shall be administered by the director of  
13 finance in conjunction with the requirements of sections 249-1  
14 to 249-13 and shall entail no additional expense or charge to  
15 the person registering the ownership of a motor vehicle other  
16 than as provided by this section or by other laws; provided that  
17 for each new certificate of ownership issued by the director of  
18 finance under section 286-52, the director of finance may charge  
19 a fee which shall be deposited in the general fund. The fees  
20 charged to issue a new certificate of ownership shall be



1 established by the county's legislative body[-] except as  
2 provided in subsection (c).

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

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

13       (2) To defray the additional cost in the disposition and  
14 other related activities of abandoned or derelict  
15 vehicles as prescribed in chapter 290. For the  
16 purposes of this paragraph, other related activities  
17 shall include but need not be limited to any and all  
18 storage fees that are negotiated between each county  
19 and a towing company contracted by the county to  
20 remove and dispose of abandoned or derelict vehicles.



1 The \$2 fee established pursuant to this subsection for  
2 certificates of registration for motor vehicles other than U-  
3 drive motor vehicles may be increased by ordinance up to a  
4 maximum of \$10; provided that all amounts received from any fee  
5 increase over \$2 shall be expended only for the purposes of  
6 paragraph (2). The moneys so assessed and collected shall be  
7 placed in a revolving fund entitled, "the highway beautification  
8 and disposal of abandoned or derelict vehicles revolving fund".

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

20 SECTION 4. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on January 1, 2020;  
 2 provided that section 1 shall apply to taxable years beginning  
 3 after December 31, 2019.  
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INTRODUCED BY: Jakobi Brown

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George M. Kull  
Bill M. ...

JAN 22 2019

on



# H.B. NO. 835

**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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