
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. Section 237D-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Resort fee" means any mandatory charge or surcharge
6 imposed by an operator, owner, or representative thereof to a
7 transient for the use of the transient accommodation's property,
8 services, or amenities."

9 2. By amending the definition of "gross rental" or "gross
10 rental proceeds" to read:

11 "Gross rental" or "gross rental proceeds" means the gross
12 receipts, cash or accrued, of the taxpayer received as
13 compensation for the furnishing of transient accommodations or
14 entering into arrangements to furnish transient accommodations
15 and the value proceeding or accruing from the furnishing of
16 transient accommodations or entering into arrangements to
17 furnish transient accommodations, including resort fees, without



1 any deductions on account of the cost of property or services
2 sold, the cost of materials used, labor cost, taxes, royalties,
3 interest, discounts, or any other expenses whatsoever. Every
4 taxpayer shall be presumed to be dealing on a cash basis unless
5 the taxpayer proves to the satisfaction of the department of
6 taxation that the taxpayer is dealing on an accrual basis and
7 the taxpayer's books are so kept, or unless the taxpayer employs
8 or is required to employ the accrual basis for the purposes of
9 the tax imposed by chapter 237 for any taxable year in which
10 event the taxpayer shall report the taxpayer's gross income for
11 the purposes of this chapter on the accrual basis for the same
12 period.

13 The words "gross rental" or "gross rental proceeds" shall
14 not be construed to include the amounts of taxes imposed by
15 chapter 237 or this chapter on operators of transient
16 accommodations, transient accommodations brokers, travel
17 agencies, and tour packagers and passed on, collected, and
18 received from the consumer as part of the receipts received as
19 compensation for the furnishing of transient accommodations or
20 entering into arrangements to furnish transient accommodations.



1 Where transient accommodations are furnished through
2 arrangements made by a transient accommodations broker, travel
3 agency, or tour packager at noncommissionable negotiated
4 contract rates and the gross income is divided between the
5 operator of transient accommodations on the one hand and the
6 transient accommodations broker, travel agency, or tour packager
7 on the other hand, the tax imposed by this chapter shall apply
8 to each operator and transient accommodations broker, travel
9 agency, or tour packager with respect to that person's
10 respective portion of the proceeds and no more.

11 For purposes of this definition, where the operator
12 maintains a schedule of rates for identifiable groups of
13 individuals, such as kamaainas, upon which the accommodations
14 are leased, let, or rented, gross rental or gross rental
15 proceeds means the receipts collected and received based upon
16 the scheduled rates and recorded as receipts in its books and
17 records."

18 SECTION 2. The department of taxation shall adopt rules,
19 pursuant to chapter 91, Hawaii Revised Statutes, to further
20 define the definitions added or amended by this Act; provided
21 that this Act shall not be construed to prevent the department



1 of taxation from levying, assessing, or collecting taxes
2 resulting from the imposition of resort fees prior to the
3 adoption of these rules.

4 SECTION 3. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2019.

6



Report Title:

Transient Accommodations Tax; Hotel Resort Fees; Gross Rental Proceeds

Description:

Imposes the transient accommodations tax on mandatory resort fees and requires that those fees be included in gross rental or gross rental proceeds. (SD1)

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