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

SECTION 1. The legislature finds that existing law authorized counties to establish a county surcharge on state taxes in order to financially assist the counties with operating or capital costs of public transportation. The legislature further finds that the deadline for a county to establish a county surcharge was March 31, 2019. However, not all the counties were able to establish a county surcharge by the March 31, 2019 deadline and therefore are burdened with the operating and capital costs of public transportation. Providing an opportunity to establish a county surcharge will alleviate and equalize any financial burden of certain public transportation costs throughout the State.

Accordingly, the purpose of this Act is to extend the period in which a county may establish a surcharge on state tax, under certain conditions.

SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:
"(c) Each county that has not established a surcharge on
state tax prior to July 1, 2015, may establish the surcharge at
the rates enumerated in sections 237-8.6 and 238-2.6. A county
electing to establish this surcharge shall do so by ordinance;
provided that:

(1) No ordinance shall be adopted until the county has
conducted a public hearing on the proposed ordinance;
(2) The ordinance shall be adopted prior to March 31,
[2019→2021]; and
(3) No county surcharge on state tax that may be
authorized under this subsection shall be levied prior
to January 1, 2019, or after December 31, 2030.

A county electing to exercise the authority granted under
this subsection shall notify the director of taxation within ten
days after the county has adopted a surcharge on state tax
ordinance. Beginning on January 1, 2019, [or] January 1, 2020,
or January 1, 2022, as applicable pursuant to sections 237-8.6
and 238-2.6, the director of taxation shall levy, assess,
collect, and otherwise administer the county surcharge on state
tax."
SECTION 3. Section 237-8.6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

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

(1) Prior to:

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

(B) January 1, 2019, if the county surcharge on state tax was established by the adoption of an ordinance after June 30, 2015, but prior to June 30, 2018; [or]

(C) January 1, 2020, if the county surcharge on state tax was established by the adoption of an ordinance on or after June 30, 2018, but prior to March 31, 2019; [and] or

(D) January 1, 2022, if the county surcharge on state tax was established by the adoption of an
ordinance on or after March 31, 2019, but prior

to March 31, 2021; and

(2) After December 31, 2030."

SECTION 4. Section 238-2.6, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:

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

(1) Prior to:

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

(B) January 1, 2019, if the county surcharge on state
tax was established by the adoption of an
ordinance after June 30, 2015, but prior to
June 30, 2018; [ex]

(C) January 1, 2020, if the county surcharge on state
tax was established by the adoption of an
ordinance on or after June 30, 2018, but prior to
March 31, 2019; [and] or
(D) January 1, 2022, if the county surcharge on state
tax was established by the adoption of an
ordinance on or after March 31, 2019, but prior
to March 31, 2021; and

(2) After December 31, 2030.'"

SECTION 5. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

INTRODUCED BY:
Report Title:
County Surcharge on State Tax; General Excise Tax; Extension

Description:
Extends the period in which a county may adopt an ordinance to establish a surcharge on state tax, under certain conditions, from 3/31/2019 to 3/31/2021.

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