A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

1. By amending subsection (c) to read:

"(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] September 30, 2020; 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, 2021, 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."

2. By amending subsection (f) to read:

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

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

(2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1); or

(3) Disaster relief."
SECTION 2. 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; [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, 2021, if the county surcharge on state tax was established by the adoption of an
ordinance on or after March 31, 2019, but prior to September 30, 2020; and

(2) After December 31, 2030."

SECTION 3. 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; [end]

(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, 2021, if the county surcharge on state
tax was established by the adoption of an
ordinance on or after March 31, 2019, but prior
to September 30, 2020; and
(2) After December 31, 2030."

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 Statutory material to be repealed is bracketed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

SECTION 5. This Act shall take effect on July 1, 2020.
Report Title:
General Excise Tax; County Surcharge on State Tax; Extension; Disaster Relief

Description:
Extends the period that a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2019 to 9/30/2020. Allows a county with a population equal to or less than five hundred thousand that adopts a surcharge on state tax to use surcharge revenues for disaster relief. (SD1)

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