A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

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

SECTION 1. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to subpart B of part III to be appropriately designated and to read as follows:

"§302A- Teacher salary special fund. (a) The teacher salary special fund, hereafter called the "fund", is hereby established. The fund shall be administered and managed by the department. Moneys in the fund shall be expended for teacher salaries and compensation authorized by this part.

(b) The appropriate percentage identified under section 247-7 of all taxes imposed and collected under chapter 247 shall be deposited in or credited to the fund each fiscal year.

(c) Moneys from any other private or public source may be deposited in or credited to the fund; provided that mandates, regulations, or conditions on these funds do not conflict with the use of the fund under this chapter. Moneys received as a deposit or private contribution shall be deposited, used, and
accounted for in accordance with the conditions established by
the agency or person making the contribution."

SECTION 2. Section 237-31, Hawaii Revised Statutes, is
amended to read as follows:

"§237-31 Remittances. All remittances of taxes imposed by
this chapter shall be made by money, bank draft, check,
cashier's check, money order, or certificate of deposit to the
office of the department of taxation to which the return was
transmitted. The department shall issue its receipts therefor
to the taxpayer and shall pay the moneys into the state treasury
as a state realization, to be kept and accounted for as provided
by law; provided that:

(1) A sum, not to exceed $5,000,000, from all general
excise tax revenues realized by the State shall be
deposited in the state treasury in each fiscal year to
the credit of the compound interest bond reserve fund;

(2) A sum from all general excise tax revenues realized by
the State that is equal to one-half of the total
amount of funds appropriated or transferred out of the
hurricane reserve trust fund under sections 4 and 5 of
Act 62, Session Laws of Hawaii 2011, shall be
deposited into the hurricane reserve trust fund in fiscal year 2013-2014 and in fiscal year 2014-2015; provided that the deposit required in each fiscal year shall be made by October 1 of that fiscal year; [and (3)]

Commencing with fiscal year 2018-2019, a sum from all general excise tax revenues realized by the State that represents the difference between the state public employer's annual required contribution for the separate trust fund established under section 87A-42 and the amount of the state public employer's contributions into that trust fund shall be deposited to the credit of the State's annual required contribution into that trust fund in each fiscal year, as provided in section 87A-42[(-)]; and

Commencing with fiscal year 2020-2021, per cent of all general excise tax revenues realized by the State that are paid on any new construction of commercial real estate projects pursuant to section 237-13(3), shall be deposited as follows:

(A) Fifty per cent into the state highway fund established pursuant to section 248-8; and
(B) Fifty per cent into the teacher salary special
fund established pursuant to section 302A-__."
"§248-8 Special funds in treasury of State. (a) There are created in the treasury of the State three special funds to be known, respectively, as the state highway fund, the airport revenue fund, and the boating special fund. [All]

(b) The appropriate percentage identified under section 247-7 of all taxes imposed and collected under chapter 247, the appropriate percentage of taxes imposed and collected as identified under section 237-31(4), and all taxes collected under chapter 243 in each calendar year, except the "county of Hawaii fuel tax", "city and county of Honolulu fuel tax", "county of Maui fuel tax", and "county of Kauai fuel tax", shall be deposited in the state highway fund; provided that:

(1) All taxes collected under chapter 243 with respect to gasoline or other aviation fuel sold for use in or used for airplanes shall be set aside in the airport revenue fund; and

(2) All taxes collected under chapter 243 with respect to liquid fuel sold for use in or used for small boats shall be deposited in the boating special fund.

(c) As used in this section, "small boats" means all vessels and other watercraft except those operated in overseas
transportation beyond the State, and ocean-going tugs and
dredges.

(d) The chairperson of the board of land and natural
resources, from July 1, 1992, and every three years thereafter,
shall establish standards or formulas that will as equitably as
possible establish the total taxes collected under chapter 243
in each fiscal year that are derived from the sale of liquid
fuel for use in or used for small boats. The amount so
determined shall be deposited in the boating special fund.

(e) An amount equal to 0.3 per cent of the highway fuel
tax but not more than $250,000 collected under chapter 243 shall
be allocated each fiscal year to the special land and
development fund for purposes of the management, maintenance,
and development of trails and trail accesses under the
jurisdiction of the department of land and natural resources
established under section 198D-2."

SECTION 5. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.
SECTION 6. This Act shall take effect on July 1, 2020.

INTRODUCED BY: Kurt Faella
Report Title:
Teacher Salaries; Teacher Salary Special Fund; Road Infrastructure; State Highway Fund; GET; Conveyance Tax

Description:
Establishes the teacher salary special fund. Requires that a portion of general excise tax revenues collected on new construction of commercial real estate projects be deposited into the state highway fund and the teacher salary special fund. Requires that a portion of conveyance tax revenues be deposited into the state highway fund and the teacher salary special fund.

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