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# 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 and  
14 the value proceeding or accruing from the furnishing of such  
15 accommodations, including resort fees, without any deductions on  
16 account of the cost of property or services sold, the cost of  
17 materials used, labor cost, taxes, royalties, interest,



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

11 The words "gross rental" or "gross rental proceeds" shall  
12 not be construed to include the amounts of taxes imposed by  
13 chapter 237 or this chapter on operators of transient  
14 accommodations and passed on, collected, and received from the  
15 consumer as part of the receipts received as compensation for  
16 the furnishing of transient accommodations. Where transient  
17 accommodations are furnished through arrangements made by a  
18 travel agency or tour packager at noncommissionable negotiated  
19 contract rates and the gross income is divided between the  
20 operator of transient accommodations on the one hand and the  
21 travel agency or tour packager on the other hand, gross rental



1 or gross rental proceeds to the operator means only the  
2 respective portion allocated or distributed to the operator, and  
3 no more. For purposes of this definition, where the operator  
4 maintains a schedule of rates for identifiable groups of  
5 individuals, such as kamaainas, upon which the accommodations  
6 are leased, let, or rented, gross rental or gross rental  
7 proceeds means the receipts collected and received based upon  
8 the scheduled rates and recorded as receipts in its books and  
9 records."

10 SECTION 2. New statutory material is underscored.

11 SECTION 3. This Act shall take effect on July 1, 2018.



**Report Title:**

Transient Accommodations Tax; Hotel Resort Fees; Gross Rental Proceeds

**Description:**

Imposes the transient accommodations tax on additional resort fees that must be included in gross rental proceeds. (SB2699 HD1)

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

