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# A BILL FOR AN ACT

RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX.

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

1           SECTION 1. The purpose of this Act is to maintain a rental  
2 motor vehicle surcharge tax of \$3 a day.

3           SECTION 2. Section 251-2, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5           "(a) There is levied and shall be assessed and collected  
6 each month a rental motor vehicle surcharge tax of [~~\$2 a day,~~  
7 ~~except that for the period of September 1, 1999, to August 31,~~  
8 ~~2007, the tax shall be]~~ \$3 a day, or any portion of a day that a  
9 rental motor vehicle is rented or leased. The rental motor  
10 vehicle surcharge tax shall be levied upon the lessor; provided  
11 that the tax shall not be levied on the lessor if:

12           (1) The lessor is renting the vehicle to replace a vehicle  
13 of the lessee that is being repaired; and

14           (2) A record of the repair order for the vehicle is  
15 retained either by the lessor for two years for  
16 verification purposes or by a motor vehicle repair  
17 dealer for two years as provided in section 437B-16."



1 SECTION 3. There is appropriated out of the state highway  
2 fund the sum of \$ , or so much thereof as may be  
3 necessary for fiscal year 2007-2008, and the same sum, or so  
4 much thereof as may be necessary for fiscal year 2008-2009, for  
5 the purposes of the state highway fund.

6 The sums appropriated shall be expended by the department  
7 of transportation.

8 SECTION 4. Statutory material to be repealed is bracketed  
9 and stricken.

10 SECTION 5. This Act shall take effect upon its approval;  
11 provided that section 3 shall take effect on July 1, 2007.



**Report Title:**

Rental Motor Vehicle Surcharge Tax

**Description:**

Extends the rental vehicle surcharge tax effective date beyond  
September 1, 2007. (SD1)

