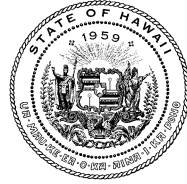


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## COUNTY SURCHARGE ON GENERAL EXCISE AND USE TAX

The Legislature authorized county governments to adopt county surcharges on state general excise (GE) tax and use tax.<sup>1</sup> To establish the surcharge, the county must adopt a surcharge by ordinance. The City and County of Honolulu has levied a surcharge at a rate of 0.5% rate since 2007 with a current expiration date of December 31, 2030.<sup>2</sup> The County of Kauai began levying a surcharge on January 1, 2019 at the rate of 0.5% with an expiration date of December 31, 2030.<sup>3</sup> The County of Hawaii will levy a surcharge at the rate of 0.25% from January 1, 2019 through December 31, 2019 and a surcharge at the rate of 0.5% beginning January 1, 2020 through December 31, 2030.<sup>4</sup> The County of Maui has not adopted a surcharge.

The county surcharge only applies to transactions subject to the 4.0% GE and use tax rate. The county surcharge does not apply to activities taxed at the 0.5% rate (e.g., wholesaling) or the 0.15% rate (i.e., insurance commissions). Taxpayers are required to allocate their gross proceeds and gross income to the designated taxation districts.

A seller may choose to visibly pass on the GE tax and any applicable county surcharge to its customers, but is not required to do so. The following table shows each county's surcharge rate, maximum pass-on rate, and effective date.

COUNTY SURCHARGE & MAXIMUM GENERAL EXCISE TAX PASS-ON RATES			
COUNTY	SURCHARGE RATE	EFFECTIVE DATE	MAX PASS-ON RATE
Honolulu	0.50%	January 1, 2007 – December 31, 2030	4.71%
Kauai	0.50%	January 1, 2019 – December 31, 2030	4.71%
Hawaii	0.25%	January 1, 2019 – December 31, 2019	4.44%
	0.50%	January 1, 2020 – December 31, 2030	4.71%
Maui	0.00%	No county surcharge	4.17%

For more information on the county surcharge on GE and use tax, please visit the Department's website at <http://tax.hawaii.gov/geninfo/countysurcharge>

Updated June 2019

<sup>1</sup> [Section 46-163.8, Hawaii Revised Statutes](#)

<sup>2</sup> [Section 6-60, Revised Ordinances of Honolulu](#)

<sup>3</sup> [Section 5-3, Kauai County Code](#)

<sup>4</sup> [Chapter 2, Article 45, Hawaii County Code](#)