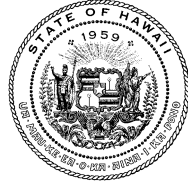


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March 14, 2016

TAX INFORMATION RELEASE NO. 2016-01

RE: Amendment to General Instructions for Filing the General Excise/Use Tax Returns (Forms G-45 and G-49) Relating to Transient Accommodations Rentals

The purpose of this Tax Information Release (TIR) is to announce an amendment to the General Instructions for Filing the General Excise/Use Tax Returns ("Instructions"), which affects travel agents and tour packagers who divide income with operators of transient accommodations pursuant to section 237-18(g), Hawaii Revised Statutes (HRS).

Section 237-18(g), HRS, provides that "[w]here transient accommodations are furnished through arrangements made by a travel agency or tour packager at noncommissioned negotiated contract rates and the gross income is divided between the operator of transient accommodations on the one hand and the travel agency or tour packager on the other hand, the [general excise] tax imposed by [chapter 237] shall apply to each such person with respect to such person's respective portion of the proceeds, and no more."

Effective for all periods ending March 31, 2016 and thereafter, if a travel agent or tour packager divides income with an operator of transient accommodations pursuant to section 237-18(g), HRS, the travel agent or tour packager shall report its share of the gross income on Line 13, Transient Accommodations Rentals. The operator of transient accommodations shall continue to report its share of the gross income on Line 13, Transient Accommodations Rentals.

This amendment supersedes any language to the contrary in the Instructions.

MARIA E. ZIELINSKI
Director of Taxation