

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

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DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2012-11

RE: Rental Motor Vehicle Surcharge Tax Rate after June 30, 2012

On June 9, 2011, Governor Neil Abercrombie signed into law House Bill 1039 HD1, SD2, CD1 as Act 104, Session Laws of Hawaii 2011. Part II of this Act increased the rental motor vehicle surcharge ("RV") tax from \$3 per day to \$7.50 per day or portion of a day from July 1, 2011 until June 30, 2012. Effective July 1, 2012, the RV tax reverted back to \$3 per day or portion of a day.

On May 8, 2012, Senate Bill 2946, SD 2, HD 2 ("SB 2946") was enrolled to the Governor. This bill would extend the RV tax of \$7.50 per day to June 30, 2016.

On July 10, 2012, the Governor vetoed SB 2946. Therefore, effective July 1, 2012, the RV tax rate has reverted back to \$3 per day or portion of a day.

In the event a taxpayer has separately stated and visibly passed on the tax at the \$7.50 rate for any rental motor vehicle day or portion of a day occurring after June 30, 2012, the taxpayer should refund the excess \$4.50 per day to its client and only remit to the Department \$3 per day or portion of a day occurring after June 30, 2012.

The Department has revised Form RV-2: Periodic Rental Motor Vehicle and Tour Vehicle Surcharge Tax, and Dual Rate Form RV-3: Rental Motor Vehicle and Tour Vehicle Surcharge Tax Annual Return & Reconciliation, and those revised forms are available on the Department's website.

For more information on this issue, please contact the Technical Section at 808-587-1577 or by e-mail at Tax.Technical.Section@hawaii.gov.

A handwritten signature in black ink that reads "Frederick D. Pablo".

FREDERICK D. PABLO
Director of Taxation