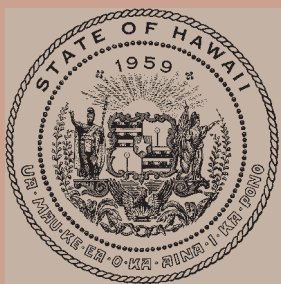


An Introduction to the Transient Accommodations Tax



**State of Hawaii
Department of Taxation**

Revised May 2025

Overview

This brochure explains the application of the transient accommodations tax in an easy-to-follow “question and answer” format. The brochure complements our brochure “An Introduction to the General Excise Tax,” which provides information on Hawaii’s general excise tax.

If you have any questions, please call us or email us. Our contact information is provided at the end of this brochure.

Note: This brochure provides general information and **is not a substitute for legal or other professional advice**. The information provided in this brochure does not cover every situation and it is not intended to replace the law or change its meaning. If there is a conflict between the text in this brochure and the law, then the application of tax will be based on the law and not on this brochure.

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General Information

1. What is the transient accommodations tax (TAT)?

The TAT is a tax imposed on the furnishing of transient accommodations in the State. The TAT applies to: (1) gross rental proceeds from the furnishing of a transient accommodation; (2) the fair market rental value of a time share vacation unit; and (3) gross receipts of transient accommodations brokers, travel agents and tour packagers that arrange transient accommodations at noncommissioned negotiated contract rates.

2. What is a transient accommodation?

A transient accommodation is a room, apartment, house, condominium, beach house, hotel room, suite, shelter, vehicle with sleeping accommodation, or other similar living accommodation rented to a transient person for less than 180 consecutive days in exchange for payment in cash, goods, or services.

3. Who is a transient person?

If a person, including a Hawaii resident, has a permanent home elsewhere or does not intend to make the accommodation a permanent place of residence, then the person is a “transient” with respect to the accommodation.

The Tax on Transient Accommodations

4. What is included in gross rental proceeds?

Your gross rental proceeds are the amounts you receive in cash, goods, or services for renting a transient accommodation, or for entering into arrangements to furnish transient accommodations when such arrangements are made at noncommissioned negotiated contract rates, without any deductions for costs. For example, you may not deduct interest paid on a mortgage, labor costs, the cost of supplies, or costs incurred to provide services to guests or tenants.

Gross rental proceeds do not include charges for guest amenities such as meals, telephone calls, and laundry services. However, gross rental proceeds do include fees that are mandatory to stay at the transient accommodation and are not usually charged separately to guests or tenants, such as maintenance fees, cleaning or housekeeping fees, and management fees. Gross rental proceeds also include any mandatory resort or destination fees charged for the

use of the transient accommodation's property, services, or amenities.

Gross rental proceeds do **not** include the general excise tax (GET) (including a county surcharge) or the TAT that is visibly passed on to the guest or tenant.

5. What are “noncommissioned negotiated contract rates”?

“Noncommissioned negotiated contract rates” means the rates specified in a negotiated contract between a transient accommodations broker, travel agent or tour packager and the operator of a transient accommodation that the operator of the transient accommodation will receive for a transaction booked by the broker, travel agent or tour packager. When transient accommodations are furnished through arrangements made by a transient accommodations broker, travel agent or tour packager at noncommissioned contract rates, the transient accommodations broker, travel agent or tour packager may unilaterally determine the mark-up of the negotiated contract rate and the total price charged to the customer; the operator of the transient accommodation has no control over the mark-up or the total price.

6. If the TAT is imposed on gross rental proceeds, does that mean that nothing is deductible?

Very few costs or expenses may be deducted. Most business expenses allowed as deductions on your income tax return are **not** deductible on your TAT return.

For example, utility bills, maintenance and cleaning fees, management fees, and commissions to travel agents are **not** deductible and must be included as gross rental proceeds.

A few TAT deductions are allowed. (See page 6 of the instructions to Form TA-1 for a list of allowable deductions.)

7. Are any transient accommodations exempt from the TAT?

A few exemptions are allowed under the TAT Law. Examples include temporary lodging allowances for a member of the military on permanent duty assignment to Hawaii, a school dormitory, a low-income renter who receives a rental subsidy from the government and whose rental period is less than 60 days, and an accommodation furnished to a foreign diplomat or consular official who holds a card given by the United States Department of State granting an exemption from state taxes. (See page 6 of the

instructions to Form TA-1 for a complete list of allowable exemptions.)

8. Do I need to pay the TAT on my gross rental proceeds if I rent a transient accommodation to a government agency?

Yes, you must pay the TAT on gross rental proceeds received from the government agency. The TAT is imposed on you rather than on the government agency, so tax exemptions for government agencies do not apply.

9. What is the TAT rate that I must pay on my gross rental proceeds?

The TAT rate on your gross rental proceeds is 10.25%.

10. I am already paying the GET at 4% (plus a county surcharge if applicable). Do I have to pay both GET and TAT?

Yes. You are required to be registered for, and to pay both GET and TAT.

11. Does it make a difference if the GET and the TAT are shown separately on the bill?

Yes. The GET (including a county surcharge) and the TAT that are **visibly** passed on to the guest or tenant are excluded from gross rental proceeds subject to the TAT.

The TAT that is visibly passed on to the guest or tenant is exempt from the GET. However, the GET that is visibly passed on is included in taxable income subject to the GET.

If you charge your guest or tenant a flat fee without separately stating the GET and the TAT, you are required to pay GET (including a county surcharge) and TAT on the entire amount.

12. How do I visibly pass on the GET and TAT?

You should inform your guests or tenants if you will pass on the GET and the TAT whenever the price is quoted. When you prepare the bill, the GET and the TAT must be separately stated and identified.

Visible Pass-on, Example 1: The following is an example of a bill that visibly passes on the GET and the TAT for a one-night stay at \$100:

Room Charge	\$100.00
TAT	10.25
GET	<u>4.00</u>
Total Charge	<u>\$114.25</u>

Because you visibly passed on the taxes, you may exclude the \$10.25 TAT and the \$4.00 GET from gross rental proceeds subject to the TAT. You may also exclude the \$10.25 TAT from taxable income subject to the GET. The gross rental proceeds subject to the TAT are \$100.00, and the TAT due is \$10.25 ($= \$100.00 \times .1025$). The taxable income subject to the GET is \$104.00, and the GET due is \$4.16 ($= \$104.00 \times .04$).

No Visible Pass-on: If you charge your guest or tenant a flat fee of \$114.25 and do not visibly pass on the GET and the TAT, you may **not** exclude the GET or the TAT. Instead, the entire gross rental proceeds of \$114.25 are subject to the TAT and the TAT due is \$11.71 ($= \$114.25 \times .1025$). The gross income subject to GET is also \$114.25 and the GET due is \$4.57 ($= \$114.25 \times .04$).

Visible Pass-on, Example 2: The following is an example of a bill that visibly passes on the TAT, the GET, and a county surcharge for a one-night stay on Oahu at \$100:

Room Charge	\$100.00
TAT	10.25
GET and	
County Surcharge	<u>4.50</u>
Total Charge	<u>\$114.75</u>

The taxable income subject to the GET and the county surcharge is \$104.50. The total of the GET and the county surcharge due is \$4.70 ($= \$104.50 \times .045$).

No Visible Pass-on: If a flat fee of \$114.75 is charged, the entire amount is subject to the TAT and to the GET. The TAT due is \$11.76 ($= \$114.75 \times .1025$). The total of the GET and the county surcharge due is \$5.16 ($= \$114.75 \times .045$).

13. I thought that the TAT was a hotel room tax. I rent a beach house to tourists. Do I have to pay this tax?

Yes. Although the TAT is sometimes called the hotel room tax, the gross rental proceeds that you receive from any transient accommodation (for example, a room in your home, a hotel room, a beach house, a rooming house, or a condominium) is subject to the TAT.

14. Do I have to pay TAT on the gross rental proceeds received from Hawaii residents?

Yes. If a Hawaii resident has a permanent home elsewhere or does not intend to make the accommodation that you provide a permanent place of residence, then the

resident is a transient with respect to the accommodation that you provide.

15. I own a transient accommodation that is being handled by a managing agent. Who pays the TAT?

You are responsible for paying the TAT. The TAT is imposed on the operator of a transient accommodation. Because the managing agent is acting on your behalf, you are the operator of the transient accommodation and subject to the TAT.

16. My management agreement states that the managing agent will file my GET and TAT returns for me. Will I be liable if the managing agent doesn't do all the paperwork and pay these taxes?

Yes. The GET (including a county surcharge) and the TAT are imposed on you as the operator of the transient accommodation. You are responsible for paying these taxes, including any interest and penalty that may be assessed if a payment is not made or is late. Having an agent file the return and pay the tax on your behalf does not relieve you of the liability.

Time Share Occupancy (TSO)

17. Why is occupancy of a time share subject to tax?

The time share interval owners are occupying a transient accommodation and using state and county resources similar to other transient individuals whose rentals are subject to the TAT. The TAT imposed on the occupancy of the time share is called the TSO tax.

18. Is the time share owner responsible for filing the tax returns for the TSO tax?

No. The time share plan manager is responsible for collecting the tax, filing the tax returns, and paying the tax to the Department of Taxation (Department). The plan manager is the person who is responsible for managing the time share plan or who is required to act for the time share plan under the TAT Law.

19. How is the TSO tax calculated?

The TSO tax is the appropriate tax rate multiplied by the fair market rental value of the time share and multiplied by the number of days the time share is occupied.

20. What is fair market rental value?

The fair market rental value is one-half of the daily maintenance fee paid by the owner. The maintenance fee includes maintenance costs, operational costs, insurance, repair costs, administrative costs, taxes other than the TAT, resort fees, and other costs (for example, payments required for reserves or sinking funds).

21. What is the rate for the TSO tax?

The rate of the TSO tax is 10.25%.

22. I have the right to use a two-bedroom, two-bath unit, but was “locked out” of one bedroom and one bath during my latest stay. Am I subject to the TSO tax on the fair market rental value of the whole unit?

No. The portion of the unit that was “locked out” is not included in the fair market rental value subject to the TSO tax. The excluded portion of the fair market rental value may be calculated using the ratio of the square footage of the “locked out” portion to the total square footage of the whole unit.

If you have any questions about the “lock out” of time share units, please contact your plan manager.

23. How do I determine the daily fair market rental value of the time share?

The following is an example for a time interval of seven days and annual maintenance fees of \$700. To calculate the daily fair market rental value:

- (1) Divide the maintenance fees for the time interval period by seven days to get the daily maintenance fee ($\$700 / 7 \text{ days} = \100)
- (2) Divide the daily maintenance fee by two to get one-half the daily maintenance fee ($\$100 / 2 = \50).

To get the amount subject to the TSO tax, multiply the daily fair market rental value by the number of days that the time share is occupied by the time share interval owner or by some other person, but not rented. The number of days that the time share was rented from the time share interval owner should not be included in this calculation. (See question 26).

24. Am I subject to TSO tax on my time interval period of seven days if I only occupied the unit for five days?

No. Because you occupied the unit for only five days, the daily fair market rental value would be multiplied by five

days to get the total fair market rental value that is subject to the TSO tax.

25. I let my friend stay at my time share free of charge for seven days. Is my friend subject to the TSO tax?

Yes. The TSO tax is imposed on the occupant of the time share and paid by the plan manager. An occupant is defined as any person occupying the time share. Because your friend occupied the unit for seven days, the daily fair market rental value would be multiplied by seven days to get the total fair market rental value that is subject to the TSO tax.

26. I occupied my unit for seven days and rented it out for five days. Am I subject to the TSO tax for 12 days?

No. Because you occupied the unit for only seven days, the daily fair market rental value would be multiplied by seven days to get the total fair market rental value that is subject to the TSO tax paid by the plan manager.

Because you received income from the rental of the unit, you must be licensed under the TAT Law and the GET Law. You, not the plan manager, must report and pay the TAT at 10.25% on the gross rental proceeds (not the fair market rental value) from the rental of the time share. Because you are subject to the TAT for the five days that the time share was rented, the plan manager is not liable for the TSO tax for those five days. You must also report and pay the GET at 4% (plus a county surcharge if applicable) on the gross income from the rental of the time share.

27. My time interval period is seven days, but I paid an additional amount to stay for an extra three days. Am I subject to the TSO tax for 10 days?

No. Although you occupied the unit for 10 days, the daily fair market rental value is multiplied by seven days to get the total fair market rental value subject to the TSO tax.

Because the time share was rented to you for the three additional days, the person who rented the unit to you is subject to the TAT at 10.25% and to the GET at 4% (plus a county surcharge) on the gross rental proceeds received from you. The person may visibly pass on the cost to you.

Registration & Licensing

28. How do I register for the GET and the TAT?

You may register for the GET and the TAT by completing Form BB-1, State of Hawaii Basic Business Application. The form is available at tax.hawaii.gov or may be picked up at any district tax office.

Your application may be submitted online through our website at hitax.hawaii.gov, by mail, or in person at any district tax office.

If you are a time share plan manager and have not registered for a Hawaii Tax Identification (ID) Number, you are required to complete Form BB-1, State of Hawaii Basic Business Application.

29. Are there any registration fees?

Yes. The registration fee for the GET is \$20. The registration fee for the TAT is \$5 if you have five or fewer transient accommodation units and \$15 if you have six or more transient accommodation units. There is no charge if you later add more transient accommodation units to your registration. The registration fee is \$15 for a transient accommodations broker, travel agency or tour packager that arranges to provide transient accommodations at noncommissioned negotiated contract rates. The registration fee is due when you file your application.

The one-time registration fee for TSO units is \$15 for each time share plan in Hawaii that the time share plan manager represents. There is no further fee unless a new plan is added. A \$15 registration fee is due for each new plan.

30. Will I be given separate identification numbers for the GET and the TAT?

Yes. We will assign separate Hawaii Tax ID Numbers for the GET and the TAT licenses.

31. If I am currently registered for the GET, how do I register for the TAT?

Complete Form BB-1 to add the TAT to your existing Hawaii Tax ID Number. This form may be submitted online through our website at hitax.hawaii.gov, by mail, or in person at any district tax office.

32. After sending in my application and fee, what will I receive from the Department?

Approximately three to four weeks after sending in your application, you will receive your certificate of registration. Time share plan managers responsible for paying the TSO tax will receive a TAT Time Share Occupancy Certificate of Registration.

The certificate must be displayed in each room, apartment, other transient accommodation or time share unit. Instead of posting the certificate, you may post a notice informing the guest or tenant where the certificate may be inspected. An owner or operator of a transient accommodation and a time share plan manager must also provide the name, phone number and email of a local contact in the same place as the registration certificate or notice.

A local contact is an individual or business entity located on the same island as the transient accommodation or time share unit who is available to address questions or concerns of the transient renter. Failure to meet these conditions is subject to a fine of \$500 per day for a first violation, \$1,000 per day for a second violation, and \$5,000 per day for a third or subsequent violation.

In addition, any advertisement for any transient accommodation or time share unit must provide the registration ID (or an electronic link to the ID) of the owner, operator or time share plan manager, and the name, phone number and email of the local contact for the transient accommodation or time share unit. Failure to meet these requirements is subject to a fine of \$500 per day for a first violation, \$1,000 per day for a second violation, and \$5,000 per day for a third or subsequent violation (see question 36).

33. Can I get my certificate of registration sooner?

Yes. If you bring two copies of the application and your fee in person to the Department, a Hawaii Tax ID number will be assigned, and a temporary certificate (a copy of the application validated by the cashier) is issued to you immediately. Your certificate of registration will be mailed to you in about three to four weeks. If you are registered on Hawaii Tax Online, you can print a copy of the certificate from that site.

Important: Applications that are dropped off will be treated as if they had been mailed.

Time share plan managers responsible for paying the TSO tax must complete and submit Form BB-1.

34. If I sell or gift my transient accommodation to someone else, can I transfer my certificate of registration to the new owner?

No. The new owner must apply for a new certificate of registration. TAT certificates of registration are not transferable. A new registration is required whenever there is a change of ownership or a change in the type of ownership.

35. Do I need a separate Hawaii Tax ID number if I have income from transient accommodations on more than one island?

No. You only need one Hawaii Tax ID Number. However, gross rental proceeds from transient accommodations in different tax districts **must** be reported separately on the tax returns, Forms TA-1 and TA-2. Enter the gross rental proceeds from your transient accommodations in column (a) (gross rental or gross rental proceeds) on the appropriate line for each taxation district.

Time share plan managers responsible for paying the TSO tax also must separate the fair market rental values by taxation district on Forms TA-1 and TA-2.

36. What other requirements must I meet as an operator of transient accommodations?

As an operator of transient accommodations, you are required to meet certain advertising and display requirements. These requirements are described and explained in Tax Facts 2017-2, "Advertising and Display Requirements for Operators of Transient Accommodations."

37. How can I report a violation?

You may report an operator of transient accommodations that you suspect or know is not complying with Hawaii's tax laws to the Special Enforcement Section. We do not offer rewards for reporting this information.

Online at hitax.hawaii.gov - "Report Tax Violation"

Automated phone messaging: (808) 587-1456

Email: Tax.Special.Enforcement.Section@hawaii.gov

FAX: (808) 587-1633

Mail: Special Enforcement Section, Room 228
Department of Taxation
P.O. Box 259
Honolulu, Hawaii 96809-0259

Tax Forms & Filing Requirements

38. What TAT forms do I file to report my rental income?

Use Form TA-1, the periodic tax return, to report and pay your TAT for the period. Periodic returns must either be filed monthly, quarterly, or semiannually.

Use Form TA-2, the annual tax return and reconciliation, to summarize the TAT gross rental proceeds and the taxes paid for the year. Form TA-2 must be filed annually.

Time share plan managers responsible for paying the TSO tax must report fair market rental values on Form TA-1 and file the return monthly, quarterly, or semiannually, as required. The plan manager must also complete and maintain Form TA-42, Time Share Occupancy Worksheet — Calculation of Total Fair Market Rental Value, for each unit in the time share plan. Form TA-42 is not filed with Form TA-1 unless the Department requests it. The plan manager must also file Form TA-2 to report fair market rental values and taxes paid for the year.

39. How often do I need to file TAT returns?

You must file periodic returns (Form TA-1) either monthly, quarterly, or semiannually, and one annual return (Form TA-2) each year. How often you file periodic returns depends on the amount of TAT you have to pay during the year. However, you may choose to file returns more frequently than required.

- File Form TA-1 semiannually (every six months) if you will pay \$2,000 or less in TAT per year.
- File Form TA-1 quarterly (every three months) if you will pay \$4,000 or less in TAT per year.
- File Form TA-1 monthly if you will pay more than \$4,000 in TAT per year. **Note:** The Department requires that you must also file your returns electronically at tax.hawaii.gov/eservices/ unless a waiver is obtained by filing Form L-110.

Taxpayers whose total annual TAT liability exceeds \$100,000 are required to make payments by electronic

funds transfer (EFT). For more information on EFT, refer to Tax Information Release Nos. 95-6, "Questions and Answers on Paying Taxes by Electronic Funds Transfer" and 99-1, "Filing of Tax Returns Required by Taxpayers Who Pay Taxes by Electronic Funds Transfer (EFT)."

The same filing requirements apply to time share plan managers responsible for paying the TSO tax.

40. Must I file a periodic tax return if my gross rental proceeds during the filing period were zero?

Yes. A periodic tax return must be filed even if you do not have any gross rental proceeds to report for the filing period. Complete the form by writing "0.00" in the columns for each district in which you have rental property. Then enter "0.00" on the line "Total Taxes Due" and on the line "Grand Total Exemptions/Deductions."

Time share plan managers responsible for paying the TSO tax must file a periodic tax return even if there is no fair market rental value to report.

41. When are my periodic tax returns due?

Periodic tax returns are due on the 20th day of the calendar month following the close of the filing period. For example, the tax return for the semiannual period January through June must be filed by July 20. If the due date falls on a weekend or legal holiday, the tax return is due on the next business day immediately following the weekend or holiday.

A return is considered timely filed if it is dropped off at any district office or postmarked by the due date of the return.

Time share plan managers responsible for paying the TSO tax have the same due dates as those responsible for paying TAT on transient accommodations.

42. What is the annual tax return?

Form TA-2, the annual TAT return, is used to summarize your activity for the entire year. There will be no additional tax due if the gross rental proceeds, exemptions, taxable proceeds, and taxes due were accurately reported on the periodic tax returns.

Form TA-2 also may be used to make corrections to the amounts previously reported. For example, if you forgot to claim an allowable exemption such as a partial refund on rent paid or a bad debt write-off, you may include the

exemption on the annual tax return to lower your tax due for the year and apply for a refund.

You must also reconcile your gross rental proceeds for TAT with your gross proceeds from transient accommodations for GET on Form TA-2.

Important: Filing the annual tax return ensures that the three-year statute of limitations period begins. If you do **not** file your annual tax return, the Department can make adjustments to the return at any time.

Time share plan managers responsible for paying the TSO tax are required to file Form TA-2 to summarize the activity for the entire year.

If your TAT liability exceeds \$4,000 annually, Form TA-2 will be required to be filed electronically. A penalty of 2% of the tax due will be assessed if a taxpayer who is required to file electronically failed to do so. The Department requires certain taxpayers to file electronically. For more information, see Department of Taxation Announcement No. 2019-17.

43. Can I skip the periodic tax returns and just file the annual tax return?

No. You must file both the periodic and annual TAT returns. Time share plan managers responsible for paying the TSO tax must file both the periodic and annual tax returns.

44. When is the annual tax return due?

The annual tax return is due on the 20th day of the fourth month following the close of the taxable year. For example, the annual tax return for a calendar year taxpayer must be filed by April 20. If you are not sure what your tax year is, you may check your copy of the application, Form BB-1.

Reminder: Do **not** attach your TAT annual tax return to your income tax or general excise annual tax return even if the due dates are the same.

You may request an extension of time to file your transient accommodations annual tax return by filing Form GEW-TA-RV-6, Application for Extension of Time to File the GE/Use Tax Annual Return & Reconciliation (Form G-49), the TA Tax Annual Return & Reconciliation (Form TA-2), or the RVST Annual Return & Reconciliation (Form RV-3). Extensions may be granted for three months at a time and up to six months in total. This is **not** an automatic extension and it is only granted for a good reason. An extension of time to file is **not** an extension of time to pay the tax. Payment

for the estimated additional tax due must be attached to the Form GEW-TA-RV-6. A request for an extension is considered timely filed if it is dropped off at any district office or postmarked by the due date of the annual tax return.

Time share plan managers responsible for paying the TSO tax have the same filing due dates.

45. What should I check before I file my tax returns?

- Check your math calculations.
- Did you sign your tax return? An authorized person must sign the tax return, and that person's title and the date the return is signed should be written on the lines provided.
- Should you be paying electronically (EFT)? If your tax liability exceeds \$100,000 per year, you must pay by EFT.
- All checks should be made payable to the "**Hawaii State Tax Collector**" in U. S. dollars drawn on any U. S. bank.
- Attach your check to the tax return. The following information should be written on your check so payment will be properly credited if the check is separated from the tax return:
 - TAT
 - The filing period
 - Your Hawaii Tax ID Number
- Be sure that you write all the critical information (name, Hawaii Tax ID Number, filing period, etc.) at the top of the form and that you sign it. Errors in handwritten forms can cause your return or payment to be posted incorrectly. Please double-check your work.

If you are a time share plan manager responsible for paying the TSO tax, you should check your math, sign your tax return, make payments by EFT if required, make checks payable to the “**Hawaii State Tax Collector**,” and print the following information on your check:

- TAT
- The filing period
- Your Hawaii Tax ID number

46. Where do I file my tax returns?

Your completed periodic and annual tax returns must be signed, dated, and submitted with any payments to the Department. The mailing address is Hawaii Department of Taxation, PO Box 1425, Honolulu, HI 96806-1425.

You may also file your tax return and pay the tax using Hawaii Tax Online, which you may access at **hitax.hawaii.gov**. You must register and create a new Hawaii Tax Online account before using the service for the first time, but there is no fee for paying through this site.

Taxpayers whose annual TAT liability exceeds \$4,000 are required to file periodic returns on a monthly basis. Periodic TAT returns are required to be filed electronically. In addition, if your TAT liability exceeds \$4,000 annually, Form TA-2 will be required to be filed electronically. A penalty of 2% of the tax due will be assessed if a taxpayer who is required to file electronically failed to do so. The Department requires certain taxpayers to file electronically. For more information, see Department of Taxation Announcement No. 2019-17.

47. What happens if I don't pay my TAT on time?

Penalties and interest are assessed on any tax that is not paid on time.

If the tax return is filed after the due date, a penalty is assessed on the tax due at the rate of 5% per month, or part of a month, up to a maximum of 25%.

If the tax return is filed on time, but the tax is not paid within 60 days of the due date of the return, a penalty of 20% of the unpaid balance will be assessed.

If you are required to file electronically and fail to do so or if you are required to pay by EFT and do not timely pay by EFT, a penalty of 2% will be assessed on the tax due.

Interest is assessed at the rate of 2/3 of 1% per month or part of a month on any unpaid taxes and penalty. If a payment is dishonored, a \$25 service fee is assessed.

Important: Payments are applied to fees first, then interest, then penalty, and then the tax. Contact the Department if you need help calculating penalty and interest charges.

The same penalties and interest rules apply for time share plan managers responsible for paying the TSO tax.

48. How do I get a branch license?

There are no branch licenses for the TAT. If you have more than one unit, or if you have units on more than one island, you should post a notice in each unit in place of the certificate of registration and report your gross rental proceeds from all the units under the same registration number. (See questions 31 and 34).

49. What should I do if I made a mistake on my tax return?

If you file your periodic tax return (Form TA-1) and later discover an error, you may file an amended return on Form TA-1. Make sure to check the "Amended Return" box on the Form TA-1. An amended periodic tax return may be used only if the annual tax return for the tax year has **not** yet been filed.

If correcting the error results in a tax credit, the credit will be refunded to you. You may **not** claim the credit on subsequent periodic returns you file for the same year. Any additional tax due should be paid with a check. Attach the check to your amended periodic tax return.

If you file your annual tax return (Form TA-2) and later discover an error, you may file an amended return on Form TA-2. Make sure to check the "Amended Return" box on the Form TA-2. Any tax credit timely claimed will be refunded to you. You may **not** carry the credit forward to a subsequent tax year. Any additional tax due should be paid with a check. Attach the check to your amended Form TA-2.

50. How does paying my TAT affect my state income tax?

The TAT that you pay may **not** be taken as a credit against your income tax liability. However, the TAT may be taken as a business expense deduction.

Note: Any business entity (estate, trust, partnership, or corporation) or individual (including a nonresident) with

income from renting property in Hawaii is required to file Hawaii income tax returns. You may also be required to pay estimated income tax using Form N-200V if you are an individual taxpayer, Form N-201V if a corporation, estate, or trust. For additional information, read the instructions on the forms.

Where to Get More Information

51. Where can I get additional information about the TAT?

Additional information is available on our website at **tax.hawaii.gov**. Additional information for completing the TAT returns may be found in the instructions for the TAT returns. You may also call or email any district tax office for information and forms using the contact information provided at the end of this brochure.

**FOR MORE INFORMATION, FORMS,
PUBLICATIONS, & ASSISTANCE**

Website: tax.hawaii.gov

OAHU DISTRICT OFFICE

Princess Ruth Keelikolani Building P.O. Box 259
830 Punchbowl Street Honolulu, HI 96809-0259
Honolulu, HI 96813-5094

Taxpayer Services Branch

Telephone: 808-587-4242
Toll-Free: 1-800-222-3229
Fax: 808-587-1488

Compliance Division

Telephone: 808-587-1611

Office Audit Branch

Telephone: 808-587-1644
FAX: 808-587-1633

Collections Branch

Telephone: 808-587-1600
Fax: 808-587-1720

MAUI DISTRICT OFFICE

State Office Building
54 S. High Street, #208
Wailuku, HI 96793-2198

Telephone: 808-984-8500
Fax: 808-984-8522

Molokai
35 Ala Malama Street, Room 101
Kaunakakai, HI 96748

Telephone: 808-553-5541
Fax: 808-553-9878

HAWAII DISTRICT OFFICE

State Office Building
75 Aupuni Street, #101
Hilo, HI 96720-4245

Telephone: 808-974-6321
Fax: 808-974-6300

State Office Building
82-6130 Mamalahoa Hwy., #8
Captain Cook, HI 96704

Telephone: 808-323-4597
Fax: 808-323-4599

KAUAI DISTRICT OFFICE

State Office Building
3060 Eiwa Street, #105
Lihue, HI 96766-1889

Telephone: 808-274-3456
Fax: 808-274-3461

Regular office hours are Monday through Friday, except state holidays, as follows: 8:00 A.M. to 4:00 P.M