

TEMPORARY ADMINISTRATIVE RULES

THESE ADMINISTRATIVE RULES ARE TEMPORARY RULES ISSUED PURSUANT TO SECTION 231-10.7; HAWAII REVISED STATUTES.

AS TEMPORARY RULES, THESE ADMINISTRATIVE RULES BECOME EFFECTIVE SEVEN DAYS AFTER PUBLIC NOTICE IS ISSUED. THESE TEMPORARY ADMINISTRATIVE RULES TAKE EFFECT ON November 28, 2025.

TEMPORARY ADMINISTRATIVE RULES ARE EFFECTIVE FOR EIGHTEEN MONTHS. THESE TEMPORARY ADMINISTRATIVE RULES WILL EXPIRE ON May 28, 2027.

PERMANENT ADMINISTRATIVE RULES, SUBJECT TO THE PROCEDURAL REQUIREMENTS OF CHAPTER 91, HAWAII REVISED STATUTES (THE HAWAII ADMINISTRATIVE PROCEDURES ACT), ARE SIMULTANEOUSLY BEING PROPOSED FOR FORMAL ADOPTION.

DEPARTMENT OF TAXATION

Amendments to Chapter 18-237,
Hawaii Administrative Rules

Effective: November 28, 2025

SUMMARY

1. New §18-237-210-01 is added.
2. New §18-237-210-02 is added.

§18-237-210-01 Apportionment of gross income or gross rental proceeds from cruise fares. (a)
Effective January 1, 2026, gross income or gross rental proceeds from cruise fares shall be apportioned to the State in an amount equal to the total amount of gross income or gross rental proceeds from cruise fares, prorated by the percentage of days the cruise ship is docked at any port in the State in comparison to the total number of days of the voyage.

(b) For purposes of this section:

"Cruise fare" has the same meaning as in section 237D-1, HRS;

"Cruise ship" has the same meaning as in section 237D-1, HRS;

"Gross rental proceeds" has the same meaning as in section 237D-1, HRS.

Example 1:

Hi Cruises, Inc., a cruise ship operator, has gross rental proceeds of \$100,000 from cruise fares for a ten-day voyage. The itinerary for the voyage is as follows:

Day 1:	Oahu
Day 2:	Oahu
Day 3:	Oahu and Maui
Day 4:	Maui
Day 5:	Hawaii County
Day 6:	Hawaii County
Day 7:	At Sea
Day 8:	At Sea
Day 9:	Kauai
Day 10:	Oahu

Hi Cruises, Inc. shall apportion \$80,000 of its \$100,000 in gross rental proceeds to the State (eighty per cent of \$100,000). [Eff **NOV 28 2025**] (Auth: HRS §231-10.7) (Imp: HRS §237-21)

§18-237-210-02 Allocation of gross income or gross rental proceeds from cruise fares. (a)

Effective January 1, 2026, gross income or gross rental proceeds from cruise fares shall be allocated to each taxation district in which the cruise ship docked; provided that the amount allocated shall equal the total amount of gross income or gross rental proceeds from cruise fares, prorated by the percentage of days the cruise ship docked at any port in the taxation district in comparison to the total number of days of the voyage; provided further that if a cruise ship docks at two or more taxation districts in a single day, the amount allocated shall be divided among each taxation district in which the cruise ship docks during that day in equal shares.

(b) For purposes of this section:

"Cruise fare" has the same meaning as in section 237D-1, HRS;

"Cruise ship" has the same meaning as in section 237D-1, HRS;

"Gross rental proceeds" has the same meaning as in section 237D-1, HRS.

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Day 9:	Kauai
Day 10:	Oahu

Hi Cruises, Inc. shall allocate its income as follows: \$35,000 shall be allocated to Oahu district; \$15,000 shall be allocated to Maui district; \$20,000 shall be allocated to Hawaii district; and \$10,000 shall be allocated to Kauai district.

[Eff **NOV 28 2025**] (Auth: HRS §231-10.7)
(Imp: HRS §237-8.6)