

**MICHAEL P. VICTORINO**  
Mayor

**SANDY K. BAZ**  
Managing Director

**JOSIAH K. NISHITA**  
Deputy Managing Director



**DEPARTMENT OF MANAGEMENT**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

August 3, 2021

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**APPROVED FOR TRANSMITTAL**

For Transmittal to:

  
Acting Mayor 8/3/21  
Date

Keani N.W. Rawlins-Fernandez, Chair  
Budget, Finance, and Economic Development Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Ms. Rawlins-Fernandez:

**SUBJECT: COUNTY TRANSIENT ACCOMMODATIONS TAX (BFED-52)**

This transmittal is in response to your letter dated July 28, 2021 regarding the proposed bill entitled "A BILL FOR AN ORDINANCE ESTABLISHING CHAPTER 3.47, MAUI COUNTY CODE, IMPLEMENTING A COUNTY TRANSIENT ACCOMMODATIONS TAX." The Department of Management offers the following response on behalf of the Department of Finance and Mayor:

1. What are your recommendations for how the County Transient Accommodations Tax ("TAT") system should operate?

*Response: The County is currently working with the State of Hawaii Department of Taxation, the other Counties and Corporation Counsel on the assessment, levy and collection of the TAT as authorized by Act 001, 2021 Special Session. At this time, we cannot offer a definitive response on how the TAT system should operate.*

2. What considerations are being made in deciding who should be responsible for TAT collection – the County or State?

*Response: Considerations of who, whether the County or State, should provide for the assessment, levy and collection of the TAT include:*

- *Language and requirements included in Act 1, 2021 Special Session*
- *The State having an existing structure and process for the collection*
- *The effort and resources required for the County to establish a structure and process*

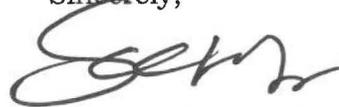
- *The abilities of the four counties within the State to coordinate on the effort*
- *Other considerations not listed above or unknown at this time.*

3. The purpose of the proposed bill is to establish a TAT of three percent on all gross rental, gross rental proceeds, and fair market rental value considered taxable under the definitions of Section 237D-1, Hawaii Revised Statutes. Do you have any additional comments the BFED Committee should consider regarding the bill?

*Response: There are no additional comments at this time.*

Should you have any further questions, please do not hesitate to contact me at ext. 7202 or Finance Director Scott Teruya at ext. 7474.

Sincerely,



Sandy K. Baz  
Managing Director

## BFED Committee

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**From:** Michelle Santos <Michelle.Santos@co.maui.hi.us>  
**Sent:** Tuesday, August 03, 2021 3:01 PM  
**To:** BFED Committee  
**Cc:** Josiah Nishita; Kayla Ueshiro; Sandy Baz; Stacy Takahashi; Tyson Miyake; Zeke Kalua  
**Subject:** MT#9122 County Transient Accommodations Tax  
**Attachments:** MT#9122-BFED Committee.pdf

BFED Committee: I will be placing the original in the drop box in front of your office.

Thanks  
Michelle

**NOTE: PLEASE DO NOT FORWARD MY EMAIL TO ANYONE OUTSIDE OF THE COUNTY OF MAUI. YOU MAY CLICK ON THE ATTACHMENT ITSELF AND CREATE YOUR OWN EMAIL TO FORWARD THE DOCUMENT TO ANOTHER PERSON OUTSIDE OF THE COUNTY.**

*Michelle L. Santos*

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