



OFFICE OF THE COUNTY AUDITOR

COUNTY OF MAUI
2145 WELLS STREET, SUITE 303
WAILUKU, MAUI, HAWAII 96793
<http://www.mauicounty.gov/auditor>

February 26, 2024

Honorable Yuki Lei Sugimura, Chair
and Members of the Budget, Finance, and
Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura and Members:

**SUBJECT: BILL 7 (2024), AMENDING CHAPTER 3.47, MAUI COUNTY
CODE, RELATING TO THE COUNTY TRANSIENT
ACCOMMODATIONS TAX (BFED-71)**

This is in response to your letter dated February 14, 2024, requesting my Office's review, comments, or suggestions to the above-referenced Bill. We respond as follows.

1. **Section 2, proposed amendments to Chapter 3.47, Maui County Code.** No comments or suggested revisions as the proposed amendments are substantially the same as the recommendations in my Office's Report No. 23-01, entitled "Evaluation of the Assessment and Collection of Maui County Transient Accommodations Tax".
2. **Section 3, proposed amendments to Section 3.47.130, Maui County Code.** Reference to "returns" is unclear. We understand that the County requires persons subject to the Maui County Transient Accommodations Tax ("MCTAT") to file sworn returns *with the State Director of Taxation*. We are not aware of a filing requirement *with the County of Maui*. However, should the County Director of Finance have custody of any of those returns, the additional language may be necessary to enforce collection of MCTAT.

Honorable Yuki Lei Sugimura, Chair
and Members of the Budget, Finance, and
Economic Development Committee

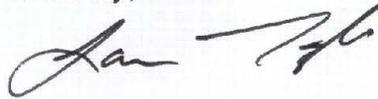
February 26, 2024

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3. **Annual Reconciliation Voucher.** The City and County of Honolulu, County of Hawaii, and County of Kauai, require their taxpayers to file a transient accommodations tax annual reconciliation voucher with their respective counties. Attached are copies of voucher instructions and forms from each of those Counties for your reference. We recommend Maui County similarly require its MCTAT taxpayers to file an annual reconciliation voucher with the Director of Finance. An annual reconciliation will help the County to better administer the MCTAT.

Please contact me if you have any questions.

Sincerely,



LANCE T. TAGUCHI, CPA
County Auditor

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Enclosures



**OTAT-2R- Annual
(2023)**

City & County of Honolulu
Oahu Transient Accommodation Tax
ANNUAL RECONCILIATION VOUCHER

PURPOSE OF VOUCHER

Effective December 14, 2021, the County of Honolulu imposes Oahu Transient Accommodations Tax (**OTAT**) at the rate of 3% on gross rental proceeds, and/or fair market rental value is taxable under **Ordinance 21-33**. Use this form to reconcile your yearly reported proceeds and payments to OTAT. If an additional payment is due, please attach this voucher with your payment. If a refund is due, use this voucher to request your refund.

COMPLETING THE VOUCHER

Print the name associated with your Hawaii State Tax ID account.

Enter your **Hawai'i State Tax I.D. No.** that starts with **TA**, 10-digit account number, and the 2-digit extension.

Enter your mailing address in the space provided (street address, City, State and zip code).

Fill in the tax year ending you are reconciling. Enter the date as MM/DD/YY. For example, if your tax year ends December 31, 2022, you would enter 12/31/22.

Enter your telephone number starting with the area code.

Please provide your e-mail address on the space provided.

If this reporting is due to an amended reconciliation place a check mark in the box indicated.

Line 1. Enter the taxable proceeds from your State Form TA-2 line 1, column c.

Line 2. Enter your total fair market rental value from

State form TA-2 line 5, column c.

Line 3. Add line 1 and 2. Enter the total here.

Line 4. Multiply line 3 by 0.03(3%) and enter your total **OTAT DUE**.

Line 5. The penalty for failure to file a return on time is calculated at 5% per month, or part of a month, on the updated tax up to a maximum of 25%. Interest is calculated at the rate of 2/3 of 1% a month or part of a month, on unpaid taxes and penalties.

Line 6. Add line 4 and 5. Enter the total amount due.

Line 7. Enter the total amount of OTAT paid, and penalty and/or interest paid, less any refunds received for the tax year.

Line 8. Subtract line 7 from line 6. If an amount is other than zero appears here, you owe **additional taxes**.

Line 9. If Line 7 is greater than Line 6, subtract line 6 from line 7. This is your **refund amount due**.

HOW TO PAY

Make your check or money order payable in U.S. dollars to "**City and County of Honolulu**." Make sure your name, "OTAT", filling period, phone number and Hawai'i Tax I.D. number appear on your check or money order. Do not postdate the check. **Do not send cash.** Mail this payment or refund request to:

**City and County of Honolulu
c/o Avenu Insights & Analytics
P.O. BOX 29280
Honolulu, HI 96820**



**OTAT-2R- Annual
(2023)**

**City & County of Honolulu
Oahu Transient Accommodation Tax
ANNUAL RECONCILIATION VOUCHER**

Name: _____

TA- _____ - _____ - _____ - _____

Address: _____

For the Period Ending: ____/____/____

City, Town or Post Office: _____ **State** _____ **Zip Code** _____

Phone Number: _____ **E-mail address:** _____

Please check this box if this is an amended reconciliation.

Line 1: Enter the taxable proceeds (from your State Form TA-2 line 1, column c)	_____
Line 2: Enter the total fair market rental value (from your State Form TA-2 line 5, column c)	_____
Line 3: Total subject to OTAT. Add line 1 and line 2. Enter the total amount here	\$ 0.00
Line 4: Multiply line 3 by 0.03 (3%) and enter your total OTAT DUE	\$ 0.00
Line 5: Penalty and Interest assessed during the year	_____
Line 6: Total DUE. (Add line 4 and 5)	\$ 0.00
Line 7: Total Payments made less any refunds received for the tax year	_____
Line 8: Additional Taxes Due. Subtract line 7 from line 6	\$ 0.00
Line 9: Refund Amount Due. Subtract line 6 from line 7.	\$ 0.00

Attach this voucher with check or money order payable to "City and County of Honolulu." Write your name, a contact phone number, and your Hawaii Tax I.D. number on your check or money order.

COUNTY OF HAWAII — DEPARTMENT OF FINANCE
**TRANSIENT ACCOMMODATIONS
RECONCILIATION VOUCHER**



PURPOSE OF VOUCHER

Effective January 1, 2022, the County of Hawai'i imposes a Hawai'i County Transient Accommodations Tax (HCTAT) at the rate of 3% on gross rental proceeds and/or fair market rental value attributable to the County of Hawai'i. Use this form to reconcile your yearly reported proceeds and payments for HCTAT. If an additional payment is due, you may use this voucher to accompany your payment. If a refund is due, you may use this voucher to request your refund.

COMPLETING THE VOUCHER

Print the name that is associated with your Hawai'i State Tax ID account.

Fill in the tax year ending you are reconciling. Enter the date as MM/DD/YY. For example if your tax year ends December 31, 2022 you would enter 12/31/22.

Enter your **Hawai'i State Tax I.D. No.** that starts with **TA**, the 10-digit account number and the 2-digit extension.

If this reporting is due to an amended return, please check the box indicated.

Enter your mailing address in the space provided (street address, City, State, and zip code).

Enter your telephone number starting with the area code.

Enter your email address (please print legibly).

If you would like to receive electronic communications, please opt in by checking on the box indicated.

Line 1. Enter the net rental proceeds from your State Form TA-2, line 3, column c.

Line 2. Enter the total fair market rental value (for timeshares) from your State Form TA-2, line 7.

Line 3. Add lines 1 and 2. Enter the total here.

Line 4. Multiply line 3 by 0.03 (3%) and enter your total **HCTAT DUE**.

Line 5. Please refer to the State Department of Taxation "Penalty and Interest calculations (HRS 231-39) section. After computing the amounts, enter the results on line 5. If you need help computing the penalty and interest, please call (808) 961-8793 or leave these lines blank. We will compute the charges for you and send you a bill.

Line 6. Add lines 4 & 5 Total due.

Line 7. Enter the total amount of HCTAT paid, and penalty and/or interest paid, less any refunds received for the tax year on line 7.

Line 8. Subtract line 7 from line 6. If an amount other than zero appears here you owe additional taxes, or a refund is due. Enter your additional tax due on line 8 a. Enter your refund amount due on line 8 b.

Line 9. Enter the total payment included or refund amount requested on line 9.

HOW TO PAY

Make the check or money order payable in U.S. dollars to the "**Director of Finance.**" Make sure your name, "HCTAT", filing period, phone number and Hawaii Tax I.D. Number. appear on the check or money order. Do not postdate the check. **Do not send cash.**

By Mail – Mail payment with the payment voucher form to:

County of Hawai'i
Department of Finance - TAT Office
25 Aupuni Street, Suite 1101
Hilo, HI 96720

Online – Electronic funds transfer (EFT-ECheck) payments will be accepted via the County's online payment portal. A \$.50 fee per transaction will be assessed for EFT payments. **Payments by credit cards are assessed higher convenience fees.* Go to:

www.hawaiicountiestat.us

Taxpayers whose liability for the HCTAT exceeds \$100,000 per year are required to pay tax by electronic funds transfer (EFT). EFT payments made via the County's online payment portal will satisfy this requirement.

COUNTY OF HAWAII — DEPARTMENT OF FINANCE
**TRANSIENT ACCOMMODATIONS
 RECONCILIATION VOUCHER**



Name (Please print): _____ Tax Year Ending: ____ / ____ / ____

Hawaii State Tax I.D. Number: TA- _____ - _____ - _____ - _____

Please check here if this payment is due to an amended return.

Mailing Address: _____
STREET UNIT TYPE/NO. CITY STATE ZIP CODE COUNTRY

Phone number: () _____ Email Address: _____

Please check here if you would like to opt in to receive electronic mailings (statements, billing, etc.)

Line 1. Enter the net rental proceeds from your State Form TA-2, line 3, column c	\$
Line 2. Enter the total fair market rental value from your State Form TA-2, line 7	\$
Line 3. Total subject to HCTAT. Add lines 1 and 2. Enter the total here.	\$
Line 4. Multiply line 3 by 0.03 (3%) and enter your total HCTAT DUE	\$
Line 5. Penalty and Interest assessed during the year.	\$
Line 6. Add line's 4 & 5 TOTAL DUE	\$
Line 7. Total payments made less refunds received for the tax year	\$
Line 8. Additional Taxes/Refund Due Subtract line 7 from line 6.	
a) ADDITIONAL TAXES DUE. _____	
b) CREDIT TO BE REFUNDED. _____	\$
Line 9. Total amount of Payment/Refund requested	\$

Attach this voucher with check or money order payable to "DIRECTOR OF FINANCE" Write your name, "HCTAT", the filing period, a contact phone number, and your Hawaii Tax I.D. Number on your check or money order.

COUNTY OF KAUAI – DEPARTMENT OF FINANCE
**TRANSIENT ACCOMMODATIONS TAX
ANNUAL RECONCILIATION VOUCHER**



PURPOSE OF VOUCHER

On October 1, 2021, the County of Kauai imposed a Kauai County Transient Accommodations Tax (KTAT) at the rate of 3% on gross proceeds and/or fair market rental value attributable to the County of Kauai.

Use this form to reconcile your yearly reported proceeds and payments for KTAT. If an additional payment is due, submit this voucher and complete your payment online. If a refund is due, you may use this voucher to request your refund.

COUNTY OF KAUAI
KTAT-2 RECONCILIATION VOUCHER
4444 RICE ST, SUITE A480
LIHUE, HI 96766

COMPLETING THE VOUCHER

Print the name that is associated with your Hawaii State Tax ID account.

Fill in the tax year ending that you are reconciling by entering the date as **MM/DD/YY**.

Enter your **Hawaii State Tax I.D. No.** that starts with "TA", the **10-digit account number** and the **2-digit extension** (ex. TA-123-123-1234-01).

Enter your telephone number starting with the area code.

Fill in the mailing address associated with your Hawaii State Tax ID account.

Line 1. Enter the taxable proceeds from your Form TA-2, line 4, column c.

Line 2. Enter the total fair market rental value from your State form TA-2, line 8 (if applicable).

Line 3. Total subject to KTAT. Add lines 1 and 2.

Line 4. Total KTAT due. Multiple line 3 by 0.03 (3%).

Line 5. The penalty for failure to file a return on time is calculated at 5% per month, or part of a month, on the unpaid tax up to a maximum of 25%. Interest is calculated at 2/3 of 1% per month or part of a month, on unpaid taxes and penalties beginning with the first calendar day after the date prescribed for payment whether or not the first calendar day falls on a weekend or holiday. Enter the amount for penalty and interest assessed during the year on line 5.

Line 6. Total due. Add lines 4 and 5.

Line 7. Enter the total amount of KTAT paid, and penalty and/or interest paid, less any refunds received for the tax year on line 7.

Line 8. Subtract line 7 from line 6. If an amount other than zero appears here you owe additional taxes, or a refund is due. Enter your additional tax due on line 8 a. Enter your refund amount due on line 8 b.

Line 9. Enter the total payment included or refund amount requested.

PAYMENT PORTAL

www.hawaiicountiestat.us

Electronic funds transfer (EFT-ECheck) payments will be accepted via the County's online payment portal without a convenience fee. Payments by credit cards are assessed a convenience fee.

COUNTY OF KAUAI – DEPARTMENT OF FINANCE
**TRANSIENT ACCOMMODATIONS TAX
 ANNUAL RECONCILIATION VOUCHER**



Name (Please print): _____

Tax Year Ending: ____ / ____ / ____

Hawaii State Tax I.D. Number: TA – _____ -- _____ -- _____ -- _____

Please check the box if this payment is due to an amended return.

Mailing Address: _____
 STREET UNIT TYPE/NO. CITY STATE ZIP CODE COUNTRY

Phone Number: (_____) _____ -- _____ Email address: _____

Line 1. Enter the taxable proceeds from your State Form TA-2, line 4, column c.....	<input type="text"/>
Line 2. Enter the total fair market rental value from your Amended State Form TA-1, line 8	<input type="text"/>
Line 3. Total subject to KTAT. (Add lines 1 and 2).....	<input type="text"/>
Line 4. Total KTAT Due. (Multiply line 3 by 0.03).	<input type="text"/>
Line 5. Penalty and Interest assessed during the year.....	<input type="text"/>
Line 6. Total Due. (Add lines 4 and 5).....	<input type="text"/>
Line 7. Total payments made less refunds received for the tax year.....	<input type="text"/>
Line 8. Additional Taxes/Refund Due. (Subtract line 7 from line 6)	
a. Additional Taxes Due.	<input type="text"/>
b. Credit to be Refunded.	<input type="text"/>
Line 9. Total amount of Payment/Refund requested.....	<input type="text"/>

BFED Committee

From: County Auditor
Sent: Monday, February 26, 2024 5:09 PM
To: BFED Committee
Cc: Lance Taguchi
Subject: OCA response to BFED-71, Bill 7 (2024)
Attachments: 240226abfed01-response_BFED-71litt.pdf

Aloha, BFED Committee. Please see attachment. Thank you.

Camille Sakamoto
Administrative Officer
Office of the County Auditor
County of Maui
2145 Wells Street, Suite 303
Wailuku, Maui, HI 96793
(808) 463-3192
<http://www.mauicounty.gov/auditor>