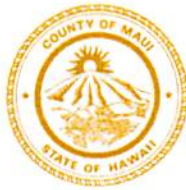


Michael P. Victorino  
Mayor

Sananda K. Baz  
Managing Director



**OFFICE OF THE MAYOR**

COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

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2020 JAN 17 AM 10:10

OFFICE OF THE  
COUNTY COUNCIL

January 17, 2020

Honorable Alice Lee, Chair  
and Members of the Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

OFFICE OF THE  
COUNTY CLERK

2020 JAN 17 AM 11:15

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**SUBJECT: A LEGISLATIVE PROPOSAL TO THE HAWAII STATE  
LEGISLATURE ON GENERAL EXCISE AND USE TAX  
SURCHARGE.**

Dear Chair Lee and Members:

On January 15, 2020, I presented Maui County's 2020 legislative priorities to the Hawaii State House of Representatives Finance Committee and the Hawaii State Senate Ways and Means Committee.

My top priority for the 2020 State Legislative Session, is the General Excise Surcharge Extension Bill. The proposed bill amends Section 46-16.8, Section 237-8.6, and Section 238-2.6, Hawaii Revised Statutes ("HRS"), relating to taxation, to extend the deadline for the counties to pass an ordinance to establish a surcharge of up to one-half percent on the State's general excise taxes for the operating or capital costs of public transportation.

The county surcharge on the general excise tax, upon the adoption of a county ordinance and in accordance with the requirements of section 46-16.8, shall be levied, assessed and collected as provided in this section on all gross proceeds and gross income taxable under this chapter. A county electing to establish this surcharge shall do so by ordinance; provided that:

No ordinance shall be adopted until the county has conducted a public hearing on the proposed ordinance.

COUNTY COMMUNICATION NO. 20-28

January 17, 2020  
Page 2

On April 23, 2019, the Maui County Council adopted Resolution 19-78, which urged the Hawaii State Legislature to extend the deadline to establish a surcharge on the general excise tax.

A copy of the proposed bill is attached for your consideration. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Michael P. Victorino". The signature is written in a cursive style with a prominent initial "M" and a long, sweeping underline.

Michael P. Victorino  
Mayor, County of Maui

C: Scott Teruya, Director of Finance

Attachment

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# A BILL FOR AN ACT

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is  
2 amended follows:

3           1. By amending subsection (c) to read:

4           "(c) Each county that has not established a surcharge on  
5 state tax prior to July 1, 2015, may establish the surcharge at  
6 the rates enumerated in sections 237-8.6 and 238-2.6. A county  
7 electing to establish this surcharge shall do so by ordinance;  
8 provided that:

9           (1) No ordinance shall be adopted until the county has  
10 conducted a public hearing on the proposed ordinance;

11           (2) The ordinance shall be adopted prior to March 31,  
12 [~~2019~~] 2021; and

13           (3) No county surcharge on state tax that may be  
14 authorized under this subsection shall be levied prior  
15 to January 1, 2019, or after December 31, 2030.

16           A county electing to exercise the authority granted under  
17 this subsection shall notify the director of taxation within ten

1 days after the county has adopted a surcharge on state tax  
2 ordinance. Beginning on January 1, 2019, or January 1, 2020, or  
3 January 1, 2021 as applicable pursuant to sections 237-8.6 and  
4 238-2.6, the director of taxation shall levy, assess, collect,  
5 and otherwise administer the county surcharge on state tax."

6 2. By amending subsection (f) to read:

7 "(f) Each county with a population equal to or less than  
8 five hundred thousand that adopts a county surcharge on state  
9 tax ordinance pursuant to this section shall use the surcharges  
10 received from the State for:

11 (1) Operating or capital costs of public transportation  
12 within each county for public transportation systems, including  
13 public roadways or highways, public buses, trains, ferries,  
14 pedestrian paths or sidewalks, or bicycle paths; and

15 (2) Expenses in complying with the Americans with  
16 Disabilities Act of 1990 with respect to paragraph (1)."

17 SECTION 2. Section 237-8.6, Hawaii Revised Statutes, is  
18 amended as follows:

19 1. By amending subsection (b) to read:

20 "(b) Each county surcharge on state tax that may be  
21 adopted or extended pursuant to section 46-16.8 shall be levied  
22 beginning in a taxable year after the adoption of the relevant  
23 county ordinance; provided that no surcharge on state tax may be  
24 levied:

- 1 (1) Prior to:
- 2 (A) January 1, 2007, if the county surcharge on state
- 3 tax was established by an ordinance adopted prior
- 4 to December 31, 2005; ~~[or]~~
- 5 (B) January 1, 2019, if the county surcharge on state
- 6 tax was established by the adoption of an
- 7 ordinance after June 30, 2015, but prior to June
- 8 30, 2018; or
- 9 (C) January 1, 2020, if the county surcharge on state
- 10 tax was established by the adoption of an
- 11 ordinance on or after June 30, 2018, but prior to
- 12 March 31, 2019; ~~[and]~~; or
- 13 (D) January 1, 2021, if the county surcharge on state
- 14 tax was established by the adoption of an
- 15 ordinance on or after June 30, 2019, but prior to
- 16 June 30, 2020; and"

17

18 SECTION 3. Section 238-2.6, Hawaii Revised Statutes, is

19 amended by amending subsection (b) to read as follows:

20 "(b) Each county surcharge on state tax that may be

21 adopted or extended shall be levied beginning in a taxable year

22 after the adoption of the relevant county ordinance; provided

23 that no surcharge on state tax may be levied:

24 (1) Prior to:

1 (A) January 1, 2007, if the county surcharge on state  
2 tax was established by an ordinance adopted prior  
3 to December 31, 2005; [~~or~~]

4 (B) January 1, 2019, if the county surcharge on state  
5 tax was established by the adoption of an  
6 ordinance after June 30, 2015, but prior to June  
7 30, 2018; or

8 (C) January 1, 2020, if the county surcharge on state  
9 tax was established by the adoption of an  
10 ordinance on or after June 30, 2018, but prior to  
11 March 31, 2019; [~~and~~]or

12 (C) January 1, 2021, if the county surcharge on state  
13 tax was established by the adoption of an  
14 ordinance on or after June 30, 2019, but prior to  
15 June 30, 2020; and

16 (2) After December 31, 2030."

17 SECTION 4. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect upon its approval.

**Report Title:**

Maui County Mayor Package; General Excise Tax; County Surcharge on State Tax; Extension

**Description:**

Extends the period in which a county may adopt a surcharge on state tax, under certain conditions, from 3/31/2020 to 6/30/2021.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*