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June 15, 2011

DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2011-08

RE: Act 104, Session Laws of Hawaii 2011, Relating to Transportation

On June 9, 2011, Governor Neil Abercrombie signed into law House Bill 1039 HD1, SD2, CD1 as Act 104, Session Laws of Hawaii 2011.

Part II of this Act increases the rental motor vehicle surcharge tax from $3 per day to $7.50 per day from July 1, 2011 until June 30, 2012. Beginning July 1, 2012, the rental motor vehicle surcharge tax will revert to $3 per day with no expiration date.

The Department is revising the tax forms to implement the increased tax rate. Because the rate change is effective beginning July 1, 2011 the tax due must be reported on the revised periodic tax form, Form RV-2, beginning August 2011 for monthly filers unless the lessor meets the requirements of HRS section 251-4 for filing on a quarterly basis (if tax liability does not exceed $4,000 for the year) or a semi-annual basis (if tax liability does not exceed $2,000 for the year).

The revised annual return, Form RV-3, will be a dual rate return and reflect both the $3 rate (the rate in effect prior to July 1, 2011) and the $7.50 rate (the rate in effect after June 30, 2011).

For more information on this Act, please contact the Rules Office at 808-587-1577.

Frederick D Pablo

FREDERICK D. PABLO
Director of Taxation