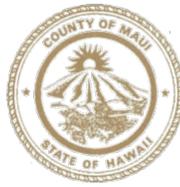


**MICHAEL P. VICTORINO**  
Mayor

**SCOTT K. TERUYA**  
Director

**MAY-ANNE A. ALIBIN**  
Deputy Director



**DEPARTMENT OF FINANCE**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
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**TRANSIENT ACCOMMODATIONS TAX (TAT)**  
**ANNOUNCEMENT NO. 2021-02**  
**Revised October 20, 2021**

**Maui County Transient Accommodations Tax (MCTAT)**  
**Effective November 1, 2021**

The purpose of this Announcement is to notify the public of the MCTAT and to provide information for taxpayers subject to the MCTAT.

**Background**

Act 1, 1st Special Session 2021 (House Bill 862, H.D. 2, S.D. 2, C.D. 1), which became law on July 8, 2021, authorizes the four counties to establish and administer their own transient accommodations tax (TAT) at a maximum rate of 3 percent. In order to establish the MCTAT, the County must enact an ordinance. The Director of Finance in each County that establishes a county TAT is granted the same authority that the State Director of Taxation has under chapter 237D, Hawaii Revised Statutes (HRS).

The Maui County Council introduced a bill to establish Chapter 3.47, Maui County Code (MCC), which implements the MCTAT. Committee Meetings to discuss the TAT were scheduled on August 4, 2021, August 18, 2021, and September 1, 2021. The bill was recommended to be passed on first reading by the Budget, Finance, and Economic Development Committee meeting on September 1, 2021. The bill was posted for first reading on September 17, 2021 at such time, amendments were made to the bill. On October 1, 2021, the bill passed second and final reading, with further amendments. On October 5, 2021, [Ordinance No. 5273, Bill No. 101 \(2021\) Draft 1](#) was signed into law by Mayor Michael P. Victorino.

**Imposition of MCTAT**

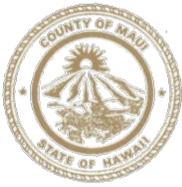
Effective November 1, 2021, the MCTAT is levied at a rate of 3 percent<sup>1</sup> on every taxpayer that has taxable gross rental proceeds<sup>2</sup> and/or total fair market rental value<sup>3</sup> attributable to the County of Maui. The MCTAT is imposed in addition to the State TAT, which is currently levied

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<sup>1</sup> Maui County Code §3.47.010.

<sup>2</sup> State of Hawaii, Department of Taxation - Form TA-1/TA-2, Line 2, Column C.

<sup>3</sup> State of Hawaii, Department of Taxation - Form TA-1/TA-2, Line 6.



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at a rate of 10.25 percent.<sup>4</sup> These amounts can be found on Forms TA-1 and TA-2 which must be filed with the State of Hawaii Department of Taxation (DOTAX). A sample Form TA-1, the periodic return for taxable gross rental proceeds and total fair market rental value of timeshares, is attached to this announcement for reference.

### **Registration**

Chapter 3.47.050, MCC, provides that all operators, timeshare plan managers, transient accommodations brokers, travel agents, and tour packages subject to the MCTAT must have a State TAT license issued pursuant to sections 237D-4 or 237D-4.5, HRS. Taxpayers who are registered with the State and have a valid State TAT number, will be deemed registered for MCTAT. Taxpayers subject to the MCTAT do not need to register separately with the County of Maui.

### **Tax Returns**

Under Section 3.47.060, MCC, the County Director of Finance has the authority to prescribe how periodic and annual County TAT returns are filed. The County Director of Finance has determined that **State TAT returns filed with DOTAX will also be deemed to have been filed with the County of Maui.** Therefore, taxpayers who are subject to the MCTAT will only need to file Forms TA-1 and TA-2 with DOTAX, as they are currently required.<sup>5</sup> Taxpayers subject to the MCTAT will **not** need to file separate MCTAT return with the County of Maui.

### **Payment Due Dates**

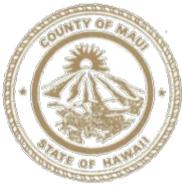
MCTAT payments are due concurrent with the State TAT returns and payments. Thus, payments are due on or before the 20th day of the calendar month following the close of the filing period. For periodic returns, taxpayers are required to file Form TA-1 on a monthly, quarterly, or semi-annual basis.

- For **monthly filers**, the first MCTAT payment is due on or before **December 20, 2021**.
- For **quarterly filers**, the first MCTAT payment is due on or before **January 20, 2022**.
- For **semi-annual filers**, the first MCTAT payment is due on or before **January 20, 2022**, however, the MCTAT payment amount will be based on income from November and December of 2021 only.<sup>6</sup>

<sup>4</sup> Hawaii Revised Statutes (HRS) §237D-2.

<sup>5</sup> HRS §§ 237D-6, 7.

<sup>6</sup> Maui County Transient Accommodations Tax is levied beginning on November 1, 2021.



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The annual reconciliation of the State TAT return (Form TA-2) is due on or before the 20<sup>th</sup> day of the fourth calendar month following the close of the taxable year. As a general rule, a MCTAT payment will only be due if taxable gross rental proceeds or fair market rental value attributable to County of Maui is reported on Form TA-2 and not reported on Form TA-1 during the taxable year. If an MCTAT payment is due, filing of Form TA-2 and payment must be made by the deadline. For calendar year taxpayers, the deadline is April 20, 2022.

### **How to Calculate and Make MCTAT Payments**

To calculate the MCTAT payment, multiply the **sum** of the taxable gross rental proceeds and fair market rental value less any applicable exemptions attributable to County of Maui by 3 percent. For a monthly filer, the first MCTAT payment, as reported on the taxpayer's Form TA-1 for November is due on or before December 20, 2021.

### **Payment Methods**

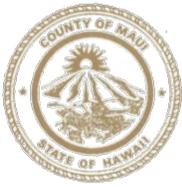
The County of Maui will accept MCTAT payments in the following methods:

- **By Mail:** Mail payment with the payment voucher form<sup>7</sup> to:  
County of Maui  
Maui County TAT Office  
110 Ala'ihī Street, Suite 107  
Kahului, HI 96732

Note: **Please do not send cash.** All checks should be made payable to the “**Director of Finance**” in U.S. dollars drawn on any U.S. bank. Attach your check to the payment voucher. The following information should be written on your check so payment will be properly credited if the check is separated from the payment voucher form:

- TAT
  - The filing period
  - Your State TAT ID number
  - Your daytime phone number
- **In Person:** Cash; check (personal, business, cashier's, or certified); money order; and debit or credit cards may be accepted at:  
County of Maui  
Department of Finance  
Treasury Division

<sup>7</sup> Payment voucher form will be posted in the County's website and mailed out to taxpayers who filed previously with DOTAX when it becomes available.



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Note: A convenience fee of 2.35% will be applied to payments made by debit or credit cards.

- **Online:** Automated Clearing House (ACH) payments will be accepted via the County's online payment portal. The website address to the County's online payment portal will be made available on or before November 1, 2021. No fees will be assessed for ACH payments.

Taxpayers whose liability for the TAT exceeds \$100,000 per year are required to pay tax by EFT. ACH payment that will be made via the County's online payment portal will satisfy this requirement.

MCTAT payments for multiple State TAT ID numbers may be remitted through a wire transfer rather than having to submit ACH payments online for each individual State TAT ID number. Detailed payment information, in an Excel file format must be submitted/uploaded via County's secured file transfer system or other transmission method as determined by MCTAT. A bulk filing application form must be completed and submitted to MCTAT. Application form(s), file specifications, and wire transfer instructions will be made available online in mid-November.

For more information, please visit our website at [www.mauicounty.gov/tat](http://www.mauicounty.gov/tat) or contact the MCTAT Office by email at [mauitat@mauicounty.gov](mailto:mauitat@mauicounty.gov). DOTAX will not be able to answer any questions regarding the MCTAT.