

HOW TO COMPLETE YOUR ANNUAL RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX RETURN (FORM RV-3)

CHANGES TO NOTE

Act 226, SLH 2008, extended the \$3 per day rate to August 31, 2011. On September 1, 2011, the rate reverts back to \$2 per day.

INTRODUCTION

The rental motor vehicle and tour vehicle surcharge tax (RV tax) contains two separate taxes with different tax rates. The rental motor vehicle surcharge tax is levied at the rate of \$3 per day or a portion of a day for the period of September 1, 1999 to August 31, 2011 and \$2 per day or a portion of a day after August 31, 2011 on the lessor of any rental motor vehicle. The tour vehicle surcharge tax is imposed on tour vehicle operators for use of a vehicle on a monthly basis, or a portion of a month at the following rates:

- \$65 - Over 25 passenger tour vehicle; and
- \$15 - 8 to 25 passenger tour vehicle.

RV tax returns (Form RV-2) are filed monthly, quarterly, or semiannual basis depending on the amount of a person's tax liability. An annual return and reconciliation (Form RV-3) summarizing activity for the past year also must be filed. **Form RV-3 is due on or before the twentieth day of the fourth month following the close of the taxable year.**

Taxpayers whose liability for the RV tax exceeds \$100,000 per year are required to pay the tax by Electronic Funds Transfer (EFT).

These instructions will assist you in filling out your Annual Rental Motor Vehicle and Tour Vehicle Surcharge Tax Return (Form RV-3) correctly.

The RV tax annual return and reconciliation (Form RV-3), is used to summarize your rental motor vehicle and tour

vehicle surcharge tax activities for the taxable year. It may also be used to correct errors on the periodic tax returns (Form RV-2). If the total number of rental vehicles days, number of months for tour vehicles, taxes due, penalty and interest are accurately reported and paid in full on your periodic returns, no additional tax will be due on the annual return. Form RV-3 must be filed in addition to (not in lieu of) the periodic rental motor vehicle and tour vehicle surcharge tax returns.

If you had no activity for the entire year, enter "0.00" on line 8. Please note that this return must be filed.

The annual tax return must be filed on or before the 20th day of the 4th month following the close of the taxable year. For example, if you are a calendar-year taxpayer (i.e., your tax year ends on December 31), then your annual tax return must be filed on or before April 20 of the following year.

To properly enter the necessary information into our computer system, the annual tax return must be filled in completely and accurately.

If a payment is being made with Form RV-3, make your check or money order payable to "Hawaii State Tax Collector." Write "RV", the filing period, and your Hawaii Tax I.D. No. on the check. Attach your check or money order where indicated on the front of Form RV-3.

If you are unable to file the annual return by the due date, you may request an extension to file Form RV-3 by filing Form GEW-TA-RV-6, Application for Extension of Time to File the GE/Use Tax Annual Return & Reconciliation (Form G-49), the TA Tax Annual Return & Reconciliation (Form TA-2), or the RVST Annual Return & Reconciliation (Form RV-3). For more information, see Form GEW-TA-RV-6.

If you have questions, please contact a customer service representative at:

Voice: 808-587-4242
1-800-222-3229 (Toll-Free)
Fax: (808) 587-1488

Mail: Taxpayer Services Branch
P.O. Box 259
Honolulu, HI 96809-0259

E-mail: Taxpayer.Services@hawaii.gov

Telephone for the Hearing Impaired:
808-587-1418
1-800-887-8974 (Toll-Free)

FILLING IN YOUR FORM RV-3 (ANNUAL RETURN AND RECONCILIATION)

Follow the example presented in *italics* for a sample of how to fill out the form. The circled numbers on the sample form correspond to the steps in the instructions.

Example: A taxpayer, BTK Rentals and Tour Vehicles (BTK), with Hawaii Tax I.D. No. W12345678-01, files its annual return for the taxable year. BTK has twenty rental cars, two tour vehicles (8-25 passenger), and one tour vehicle (40 passenger) on Oahu. BTK also has ten rental cars on Maui. The twenty cars on Oahu were rented for a total of 7,100 rental days of which 200 rental days were to lessees whose vehicles were being repaired. The ten cars on Maui were rented for a total of 3,240 rental days. Of the two tour vehicles on Oahu, one was out of service for two months, otherwise both tour vehicles were in service for at least a portion of each month, giving BTK a total of 22 "tour vehicle-months." The tour vehicle was in service for all 12 months, for a total of 12 "tour vehicle-months."


FORM RV-3 (REV. 2010)	STATE OF HAWAII — DEPARTMENT OF TAXATION	THIS SPACE FOR DATE RECEIVED STAMP
 RCB101	RENTAL MOTOR VEHICLE AND TOUR VEHICLE SURCHARGE TAX ANNUAL RETURN & RECONCILIATION FOR CALENDAR YEAR 20 <u>11</u> / <u>11</u> / <u>11</u> ① OR FISCAL YEAR ENDING ___ / ___ / ___	98 HAWAII TAX I.D. NO. W <u>12345678-01</u> LAST 4 DIGITS OF YOUR FEIN OR SSN: <u>1234</u> ④
NAME: ② BTK Rentals and Tour Vehicles		
COLUMN A	COLUMN B	COLUMN C

fig. 3.0

THE TOP OF THE TAX RETURN (fig. 3.0)

STEP 1 — Enter your calendar year end or your fiscal month, day, and year end in the area provided.

STEP 2 — Write your name in the area provided.

STEP 3 — Enter your Hawaii Tax I.D. No. in the area provided.

STEP 4 — Enter the last 4 digits of your FEIN or SSN in the area provided.

TACH CHECK OR MONEY ORDER HERE	1	OAHU DISTRICT	⑤ 6,900	⑤ 22	⑤ 12	1
	2	MAUI DISTRICT	⑤ 3,240			2
	3	HAWAII DISTRICT				3
	4	KAUAI DISTRICT				4
	5	TOTALS (Add lines 1 thru 4 of Columns A, B, and C)	⑥ 10,140	⑥ 22	⑥ 12	5
	6	RATES	\$3	\$15	\$65	6
	7	TAXES (Multiply line 5 by line 6 of Columns A, B, and C)	⑦a 30,420 00	⑦b 330 00	⑦c 780 00	7
	8	TOTAL TAXES DUE (Add line 7, Columns A through C and enter result here)	⑧ 31,530 00			8

fig. 3.1

COMPUTING THE TAXES (fig. 3.1)

STEP 5 — Complete lines 1 through 4, Columns A through C, just as you did on your periodic tax returns. The difference between the periodic and annual tax returns is that the numbers reported on the annual tax return represent the total rental days, tour vehicle (8-25 passengers)-months, and tour vehicle (26 or more passengers)-months in the applicable districts for the entire year.

BTK had 6,900 net rental days for Oahu and has entered that figure in Column A, line 1. BTK also had 3,240 rental days on Maui, and has entered that figure in Column A, line 2. BTK had 22 tour vehicle (8-25 passengers)-months on Oahu, and has entered that figure in Column B, line 1. In Column C, line 1, BTK had 12 tour vehicle (40 passenger)-months on Oahu, and has entered that figure in Column C, line 1.

The annual return is a reconciliation of the number of rental motor vehicle days, the number of tour vehicle (8-25 passengers)-months, and the number of tour vehicle (26 or

more passengers)-months, in the applicable districts, with the numbers reported on the periodic tax returns. If an error was made on one or more of the periodic tax returns in reporting the number of rental days, the number of tour vehicle (8-25 passengers)-months, or the number of tour vehicle (26 or more passengers)-months, in the applicable districts, the annual tax return will correct the amounts reported on your periodic returns for the taxable year and show the amount of any additional taxes payable or refund due.

STEP 6 — Enter the totals for lines 1 through 4 of Columns A through C in these spaces.

In Column A, line 5, BTK has entered 10,140, the total number of rental motor vehicle-days. In Column B, line 5, BTK has entered 22, the total number of tour vehicle (8-25 passengers)-months. In Column C, line 5, BTK has entered 12, the total number of tour vehicle (40 passenger)-months.

STEP 7a — In Column A, multiply the number entered on line 5 by the tax rate of \$3 (line 6) and enter the result on Column A, line 7.

BTK has multiplied 10,140 (the number of vehicle-days) entered on line 5 by \$3 (the tax rate listed on line 6) to get \$30,420, which is entered in Column A, line 7 (10,140 x \$3 = \$30,420).

STEP 7b — In Column B, multiply the number entered on line 5 by the tax rate of \$15 (line 6), and enter the result on line 7.

BTK has multiplied 22 (the number of tour vehicle (8-25 passenger)-months) entered on line 5 by \$15 (the tax rate listed on line 6) to get \$330, which is entered in Column B, line 7 (22 x \$15 = \$330).

STEP 7c — In Column C, multiply the number entered on line 5 by the tax rate of \$65 (line 6), and enter the result on line 7.

BTK has multiplied 12 (the number of tour vehicle (26 or more passengers)-months) entered on line 5 by \$65 (the tax rate listed on line 6) to get \$780, which is entered in Column C, line 7 (12 x \$65 = \$780).

• ATTACH	8	TOTAL TAXES DUE (Add line 7, Columns A through C and enter result here)		8	31,530	00	8
	9	PENALTY assessed during the year		9			9
	10	INTEREST assessed during the year		10			10
	11	TOTAL AMOUNT DUE (Add lines 8, 9, and 10; Enter amount here).		11	31,530	00	11
	12	Total taxes paid on monthly, quarterly, or semiannual returns for the period.	12	31,530	00		12
	13	Additional assessments paid for the tax year, if included above.	13				13
	14	Penalties \$ <u>14</u> Interest \$ <u>15</u> paid during the period	14	<u>13</u>	<u>16</u>		14
	15	TOTAL PAYMENTS MADE FOR THE TAX YEAR (Add lines 12,13, and 14)		15	31,530	00	15
	16	CREDIT TO BE REFUNDED (Line 15 minus line 11)		16			16
	IF YOU DO NOT HAVE ANY ACTIVITY AND THE RESULT IS NO TAX LIABILITY, ENTER "0.00" ON LINES 8 AND 17. THIS RETURN MUST BE FILED.		17	TOTAL TAXES DUE (Line 11 minus line 15)		<u>19</u>	17
	FOR LATE FILING ONLY →		18a	PENALTY		<u>20</u>	18
			18b	INTEREST			
	19	TOTAL AMOUNT DUE AND PAYABLE (Add lines 17 and 18)		19	<u>21</u>		19
	Attach your check or money order payable to "HAWAII STATE TAX COLLECTOR" in U.S. dollars drawn on any U.S. Bank to Form FV-3. Write "RV", the filing period, and your Hawaii Tax I.D. No. on your check or money order.		20	PLEASE ENTER THE AMOUNT OF YOUR PAYMENT →		<u>22</u>	20

DECLARATION: I declare, under the penalties set forth in section 231-36, HRS, that this is a true and correct return, prepared in accordance with the provisions of the Rental Motor Vehicle and Tour Vehicle Surcharge Tax Law and the rules issued thereunder.

IN THE CASE OF A CORPORATION OR PARTNERSHIP, THIS RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT.

Betty T. Kealoha 23 Owner 4/20/12
SIGNATURE TITLE DATE

DAYTIME PHONE NUMBER: (808) 123-4567

— MAILING ADDRESS —
Hawaii Department of Taxation
P. O. Box 2430
Honolulu, HI 96804-2430

fig. 3.2

FINISHING THE TAX RETURN (fig. 3.2)

STEP 8 — Add Columns A through C, line 7, and enter the total on line 8. This is the total tax due. **CAUTION: LINE 8 MUST BE FILLED IN.** If you do not have any rental motor vehicle or tour vehicle activity and therefore have no tax due, enter "0.00" on line 8.

BTK has added \$30,420, \$330, and \$780 for a total of \$31,530 which is entered on line 8.

STEP 9 — Add all the penalties which have been assessed on taxes owed on the periodic tax returns for the taxable year, and enter the result on line 9.

STEP 10 — Add all the interest which has been assessed on taxes owed on the periodic tax returns for the taxable year, and enter the result on line 10.

STEP 11 — Add lines 8, 9, and 10, and enter the total on line 11, "TOTAL AMOUNT DUE".

STEP 12 — Add the total amount of rental motor vehicle and tour vehicle surcharge taxes paid with your periodic tax returns and any delinquency notices for the taxable year. Enter this amount on line 12, “TOTAL TAXES PAID ON MONTHLY, QUARTERLY, OR SEMIANNUAL RETURNS FOR THE PERIOD”.

STEP 13 — Enter the amount of tax paid with any assessment notices for the taxable year on line 13.

STEP 14 — Enter the amount of any penalty paid with your periodic tax returns, delinquency notices, or assessment notices for the taxable year on line 14 in the space provided to the right of “PENALTIES \$.”

STEP 15 — Enter the amount of any interest paid with your periodic tax returns, delinquency notices, or assessment notices for the taxable year on line 14 in the space provided to the right of “INTEREST \$.”

STEP 16 — Add the amount of penalty and interest paid, and enter the total on line 14.

STEP 17 — Add the amounts on lines 12, 13, and 14, and enter the total on line 15, “TOTAL PAYMENTS MADE FOR THE TAX YEAR”.

STEP 18 — Compare the amounts on lines 11 and 15. If the amount on line 11 is **THE SAME AS** line 15, go on to Step 22.

If the amount on line 11 is **LESS THAN** line 15, subtract line 11 from line 15, and enter the result on line 16, “CREDIT TO BE REFUNDED”. Go to Step 22.

STEP 19 — If the amount on line 11 is **MORE THAN** line 15, subtract line 15 from line 11 and enter the “TOTAL TAXES DUE” on line 17. This is your taxes now due and payable. Calculate penalty and interest on this amount if the annual return is filed after the due date.

STEP 20 — Late Filing of Return—The penalty for failure to file a return on time is assessed on the tax due at a rate of 5% per month, or part of a month, from the due date to the filing date, to a maximum of 25%.

Interest—Interest at the rate of $\frac{2}{3}$ of 1% per month, or part of a month, shall be assessed on the unpaid taxes and penalties beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on a Saturday, Sunday, or legal holiday.

After computing the penalty and interest amounts, enter the results to the right of “PENALTY” (line 18a) and “INTEREST” (line 18b) and enter the total of the two amounts on line 18.

If you are unable to compute the penalty and interest, leave these lines blank. The Department will compute the charges for you and send you a bill.

STEP 21 — If you have taxes due now, add the amounts on lines 17 and 18 and enter the “TOTAL AMOUNT DUE AND PAYABLE” on line 19.

STEP 22 — **NOTE:** If you are NOT submitting a check with your return, enter “0.00” on line 20.

Write the “AMOUNT OF YOUR PAYMENT”, including any penalty and interest, on line 20. Attach your check or money order for this amount payable to “Hawaii State Tax Collector” in U.S. dollars drawn on any U.S. bank where indicated on the front of the return. Write “RV”, the filing period, and your Hawaii Tax I.D. No. on your check or money order. **DO NOT SEND CASH.**

Send your check or money order and the return to:

Hawaii Department of Taxation
P.O. Box 2430
Honolulu, HI 96804-2430

SIGNING THE RETURN (*fig. 3.2*)

STEP 23 — Sign your tax return. The sole proprietor, a partner or member, corporate officer, or an authorized agent must sign the return, state his/her title, write the date the return is signed, and write a daytime contact phone number.