

**HOW TO COMPLETE YOUR PERIODIC  
TRANSIENT ACCOMMODATIONS TAX RETURN  
(FORM TA-1)**

**CHANGES TO NOTE**

Effective for filing periods ending after December 31, 2010, Act 22, Session Laws of Hawaii (SLH) 2010, advances the deadline for filing the Form TA-1 and paying the tax due to the 20th day of the calendar month following the close of the filing period.

Effective January 1, 2011, time share plan managers are to file Form TA-1 to report the fair market rental values and the transient accommodations tax on time share occupancy (TSO tax) due for the periodic filing period. (Note: the Transient Accommodations Tax - Time Share Occupancy Periodic Return, Form TA-41, has been made obsolete.)

Starting July 1, 2011, pursuant to Act 103, SLH 2011, there is levied and shall be assessed and collected each month a daily tax of \$10 for every transient accommodation that is furnished on a complimentary or gratuitous basis, or otherwise at no charge, including transient accommodations furnished as part of a package.

**INTRODUCTION**

These instructions will assist you in filling out your periodic Transient Accommodations Tax (TAT) returns (Form TA-1) correctly.

The TAT is levied on the gross rental or gross rental proceeds derived from furnishing transient accommodations. For periods ending before July 1, 2009, the rate is 7.25%; for periods beginning after June 30, 2009 and ending before July 1, 2010, the rate is 8.25%; and for periods beginning after June 30, 2010, the rate is 9.25%.

A "transient accommodation" is an apartment, house, condominium, beach house, hotel room or suite, or similar living accommodation furnished to a transient person for less than 180 consecutive days in exchange for payment in cash, goods, or services.

"Gross rental or gross rental proceeds" includes amounts paid to you in the form of cash, goods, or services as compensation for furnishing a transient accommodation without any deductions for costs incurred in the operation of the transient accommodation.

Starting July 1, 2011, a daily tax of \$10 is levied for every transient accommodation that is furnished at no cost.

The TSO tax is levied on the occupant of a time share vacation unit at the rate of 7.25% of the unit's fair market rental value. The time share plan manager shall be liable for and pay to the State the TSO tax.

"Fair market rental value" is defined as an amount equal to one-half the gross daily maintenance fees that are paid by the owner, are attributable to the time share unit, and include maintenance costs, operational costs, insurance, repair costs, administrative costs, taxes, other than transient accommodations taxes, and other costs including payments required for reserves or sinking funds. The taxpayer shall use gross maintenance fees, unless the taxpayer proves or the Director of Taxation determines that the gross daily maintenance fees do not fairly represent fair market rental value taking into account comparable transient accommodation rentals or by other appraisal methods.

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

If a payment is being made with Form TA-1, make your check or money order payable to "Hawaii State Tax Collector." Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on the check. Attach your check or money order where indicated on the front of Form TA-1.

**IMPORTANT!!!**

The TAT returns (Form TA-1) must be filed on a periodic basis depending on the amount of TAT or TSO tax you have to pay during the year.

You must file monthly if you will pay more than \$4,000 in TAT or TSO tax per year.

You may file quarterly if you will pay \$4,000 or less in TAT or TSO tax per year.

You may file semiannually if you will pay \$2,000 or less in TAT or TSO tax per year.

When changing your filing period, please complete Form GEW-TA-RV-5.

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

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

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

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

Fax: (808) 587-1488

E-mail: Taxpayer.Services@hawaii.gov

Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check so that it may be properly credited to your account. **If you do not have any gross rental or gross rental proceeds and do not have any fair market rental value and the result is no TAT and TSO tax liability, enter "0.00" on line 14. Please note that this periodic return must be filed.**

To correct a previously filed Form TA-1, file an amended return on Form TA-1. (Note: the Amended Periodic Transient Accommodations Tax Return, Form TA-11, has been made obsolete.)

**Follow the example presented in *italics* in the sample form.** The circled numbers on the sample form correspond to the steps in the instructions.

*Example: ABC Resort (ABC), with Hawaii Tax I.D. No. W12345678-01, files its January return. ABC has one resort on Oahu and one on Maui.*

**THE TOP OF THE TAX RETURN** (fig. 2.0)


FORM TA-1 (REV. 2010)	STATE OF HAWAII — DEPARTMENT OF TAXATION <b>TRANSIENT ACCOMMODATIONS TAX RETURN</b>	THIS SPACE FOR DATE RECEIVED STAMP <b>20</b>
 QBB101		(2) HAWAII TAX I.D. NO. W <u>1 2 3 4 5 6 7 8</u> - <u>0 1</u>
<input type="checkbox"/> Check this box if this is an AMENDED Return		LAST 4 DIGITS OF YOUR FEIN (3) SSN: <u>1 2 3 4</u>
(4) NAME: (1) <u>ABC Resort</u>		(MM/YY) <u>0 1</u> / <u>1 2</u>
<input checked="" type="checkbox"/> <b>Month</b> <input type="checkbox"/> <b>Quarter</b> or <input type="checkbox"/> <b>Semiannual Period Ending</b>		

fig. 2.0

**STEP 1** — Write your name (taxpayer's name) in the area provided.

**STEP 2** — Enter your Hawaii Tax I.D. No. in the area provided.

**STEP 3** — Enter the last 4 digits of your FEIN or SSN in the area provided.

**STEP 4** — Place an "X" in the appropriate box to indicate the filing period (Month, Quarter, or Semiannual Period) for which the tax return is being filed and enter the filing period information with the appropriate numeric (two digit) month and year for the last month of the filing period (e.g., Month of January 2012 = 01/12; Quarterly Period of January through March 2012 = 03/12; Semiannual Period of January through June 2012 = 06/12).

*ABC files monthly returns, so an "X" was placed in the box labeled "MONTH" and ABC entered 01/12 for the numeric month and year for the last month of the filing period.*

**COMPUTING THE TAXES** (fig. 2.1)

CASH CHECK OR MONEY ORDER HER	PART I — For Periods ending BEFORE July 1, 2009										
	1	OAHU								.0725	1
	2	MAUI, MOLOKAI, LANAI								.0725	2
	3	HAWAII								.0725	3
	4	KAUAI								.0725	4
PART II — For Periods beginning AFTER June 30, 2009 and ending BEFORE July 1, 2010											
5	OAHU								.0825	5	
6	MAUI, MOLOKAI, LANAI								.0825	6	
7	HAWAII								.0825	7	
8	KAUAI								.0825	8	
PART III — For Periods beginning AFTER June 30, 2010											
9	OAHU	(5) 10,000.00	(6) 0.00	(8) 10,000.00				.0925	(9) 925.00	9	
10	MAUI, MOLOKAI, LANAI	20,000.00	0.00	20,000.00				.0925	1,850.00	10	
11	HAWAII							.0925		11	
12	KAUAI							.0925		12	

fig. 2.1

**STEP 5** — Column (a), lines 1 through 12. Enter in Part I (for periods ending before July 1, 2009), in Part II (for periods beginning after June 30, 2009 and ending before July 1, 2010), and in Part III (for periods beginning after June 30, 2010) the total gross rental or gross rental proceeds during the period covered by the return for all transient accommodations furnished.



**STEP 9** — Column (c), lines 1 through 12. Multiply the taxable proceeds in Part I by .0725, in Part II by .0825, and in Part III by .0925 and enter the result as taxes in column (d) (fig. 2.1).

*ABC has multiplied \$10,000 (taxable proceeds for Oahu in Part II) by .0925 (the tax rate) to get \$925, which is entered in column (d), line 9. ABC has also multiplied \$20,000 (taxable proceeds for Maui in Part II) by .0925 (the tax rate) to get \$1,850, which is entered in column (d), line 10.*

**STEP 10** — Part IV and Part VI are to be completed ONLY by time share plan managers to report total fair market rental values and TSO tax due for the periodic filing period.

Report the total fair market rental value during the period for all resort time share vacation plans represented by you. To obtain the total fair market rental value to enter in Part VI, column (a), add the amounts from line 31 on each of the Forms TA-42, Time Share Occupancy Worksheet — Calculation of Total Fair Market Rental Value. Please note that if you have time share vacation plans in more than one taxation district, you must report the total fair market rental value separately according to the taxation district in which the time share plans are located.

**FINISHING THE TAX RETURN** (fig. 2.4)

PART IV — TIMESHARE OCCUPANCY TAX (To be completed by Plan Managers ONLY)			
13	Enter the total taxes for Timeshare Occupancy from page 2, Part VI, line 28, here	10	13
PART V — TOTAL PERIODIC RETURN			
14	<b>TOTAL TAXES DUE.</b> Add Column (d) of lines 1 through 13 and enter result here. If you did not have any activity for the period, enter "0.00" here.	11	2,775 00 14
15	Amounts Assessed During the Period (For Amended Return ONLY)		
	PENALTY		
	INTEREST		
16	<b>TOTAL AMOUNT.</b> Add lines 14 and 15.	12	2,775 00 16
17	TOTAL PAYMENTS MADE FOR THE PERIOD (For Amended Return ONLY).		17
18	CREDIT TO BE REFUNDED. Line 17 minus line 16 (For Amended Return ONLY)		18
19	ADDITIONAL TAXES DUE. Line 16 minus line 17 (For Amended Return ONLY)		19
20	<b>FOR LATE FILING ONLY</b> →	13	
	PENALTY		
	INTEREST		
21	<b>TOTAL AMOUNT DUE AND PAYABLE</b> (Original Returns, add lines 16 and 20; Amended Returns, add lines 19 and 20).	14	2,775 00 21
22	<b>PLEASE ENTER THE AMOUNT OF YOUR PAYMENT.</b> Attach a check or money order payable to "HAWAII STATE TAX COLLECTOR" in U.S. dollars drawn on any U.S. bank to Form TA-1. Write "TA", the filing period, and your Hawaii Tax I.D. No. on your check or money order. Mail to: HAWAII DEPARTMENT OF TAXATION, P.O. Box 2430, HONOLULU, HI 96804-2430 or file and pay electronically at www.ehawaii.gov/efile. If you are NOT submitting a payment with this return, please enter "0.00" here.	15	2,775 00 22
23	<b>GRAND TOTAL OF EXEMPTIONS/DEDUCTIONS CLAIMED from back of form.</b>	7	0 00 23
<p><b>DECLARATION:</b> 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 Transient Accommodations Tax Law, Chapter 237D, HRS and the rules issued thereunder.  <small>A CORPORATION OR PARTNERSHIP TAX RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT OF SUCH ENTITY.</small></p>			
16	<u>Henry Aloha</u> SIGNATURE	<u>President</u> TITLE	<u>2/20/12</u> DATE
			<u>(808) 123-4567</u> DAYTIME PHONE NUMBER

fig. 2.4

**STEP 11** — Add lines 1 through 13 of column (d), and enter the total on line 14. This is the "TOTAL TAX DUE". **CAUTION: LINE 14 MUST BE FILLED IN.** If you have no tax due, enter "0.00" on line 14.

*ABC has added \$925 and \$1,850 for a total of \$2,775 which is entered on line 14.*

**STEP 12** — Enter the amount from line 14 on line 16, "TOTAL AMOUNT".

**STEP 13** — 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% a 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 2/3 of 1% a 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" and "INTEREST" and enter the total of the two amounts on line 20. If you are unable to compute the penalty and interest, leave these lines blank. The Department will compute it for you and send you a bill.

**STEP 14** — Add the amounts on lines 16 and 20, and enter the "TOTAL AMOUNT DUE AND PAYABLE" on line 21.

**STEP 15** — **NOTE:** If you are NOT submitting a check with your return, enter "0.00" on line 22.

Write the "AMOUNT OF YOUR PAYMENT", including any penalty and interest, on line 22. 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 "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order. Send your check or money order and the return to:

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

DO NOT SEND CASH. Form TA-1 can also be filed and payment made electronically at [www.ehawaii.gov/efile](http://www.ehawaii.gov/efile).

**STEP 16** — Sign your tax return. The sole proprietor, a partner or member, corporate officer, or an authorized agent must sign the tax return, state his/her title, write the date the return is signed, and write a daytime contact phone number.

### **INSTRUCTIONS FOR FILING AN AMENDED FORM TA-1**

If you file your Form TA-1 and later become aware of any changes you must make to reported gross rental or gross rental proceeds or exemptions/deductions, you may file an amended return on Form TA-1 to change the Form TA-1 you already filed. (Note: the Amended Periodic Transient Accommodations Tax Return, Form TA-11, has been made obsolete.)

Do **NOT** file an amended Form TA-1 if the Transient Accommodations Tax Annual Return & Reconciliation, Form TA-2, has already been filed for the tax year.

Complete your amended Form TA-1 as follows:

1. Check the box at the top of the front page of the Form TA-1 to designate that this is an amended return (see *fig. 2.0*).
2. Enter the correct amounts of gross rental or gross rental proceeds, exemptions/deductions, taxable proceeds, and taxes due which should have been reported on the original Form TA-1. Follow Steps 1 through 11 above used to complete your original return. (**Note:** Entries which were correctly reported on the original Form TA-1 also must be entered on the appropriate line(s). **Failure to do so will result in a change from the correct amount to -0-.**)
3. As of the date the amended return is filed, enter on line 15 the amounts of penalty and/or interest assessed for the period. Penalty and interest are generally assessed because the original return was filed after the filing deadline or because the taxes due were not paid in full by the filing deadline.
4. Enter on line 17 the total amount of taxes, additional assessments, and penalty and/or interest paid less any refunds received for the period. Include payments made with the original periodic return, as well as any supplemental payments made after the original periodic return was filed. REMINDER: Payments are applied first to recover costs incurred by the Department, then to any interest due, then to penalties, and finally, to taxes.
5. If line 16 is LESS THAN line 17, subtract line 16 from line 17 and enter the result on line 18, "CREDIT TO BE REFUNDED".
6. If line 16 is MORE THAN line 17, subtract line 17 from line 16 and enter the result on line 19, "ADDITIONAL TAXES DUE".
7. If the amended Form TA-1 is being filed after the due date of the original Form TA-1, and if there is an amount entered on line 19, enter on line 20 the amount of any penalty and/or interest now due. On a timely filed original Form TA-1, a penalty of 20% of the tax due will be assessed if any tax remains unpaid after 60 days from the prescribed due date of the original Form TA-1. The 60-day period is calculated beginning with the prescribed due date, even if the prescribed due date falls on a Saturday, Sunday, or legal holiday. This penalty is applicable to amended Form TA-1s for timely filed original Form TA-1s. Interest at the rate of 2/3 of 1% per month or part of a month shall be assessed on unpaid taxes and penalties assessed beginning with the first calendar day after the date prescribed for payment, whether or not that first calendar day falls on Saturday, Sunday, or legal holiday.
8. Add lines 19 and 20 and enter the total on line 21, "TOTAL AMOUNT DUE AND PAYABLE".
9. Enter on line 22 the amount of any payment being made with the amended Form TA-1. If the amended Form TA-1 is being filed after the due date of the original Form TA-1, include any additional penalty and interest in your payment. 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 amended Form TA-1. Write "TA", the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order. Send your check or money order and the amended Form TA-1 to:

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

DO NOT SEND CASH.

10. If any exemptions/deductions are claimed in column (b) of lines 1 through 12, complete Part VII on the reverse side of the amended Form TA-1. The amount and type of exemptions/deductions claimed must be individually listed even if reported correctly on the original Form TA-1 filed.
11. Enter the total of all exemptions/deductions reported on reverse side of the amended Form TA-1 on line 23.
12. Sign your name and write your title, the date, and a daytime contact phone number in the spaces provided on the front page of the amended Form TA-1 (see *fig. 2.4*).

SCHEDULE OF TRANSIENT ACCOMMODATIONS TAX EXCLUSIONS, EXEMPTIONS, AND DEDUCTIONS  
(NOTE: ALL SECTION REFERENCES ARE TO THE HAWAII REVISED STATUTES)

Section 237D-1: Gross rental or gross rental proceeds do not include:

- (1) The amount of transient accommodations taxes passed-on, collected, and received from the consumer.
- (2) The amount of general excise taxes passed-on, collected, and received from the consumer.
- (3) Charges for guest amenities, including meals, beverages, telephone calls, laundry, and service charges. (Section 18-237D-1-03(c), Hawaii Administrative Rules)
- (4) Accounts charged off as worthless for income tax purposes by an accrual basis taxpayer. (Section 18-237D-1-03(e), Hawaii Administrative Rules)

Division of gross rental or gross rental proceeds:

Where transient accommodations are furnished by an operator through an arrangement with a travel agency or tour packager at noncommissionable negotiated contract rates and the gross rental or gross rental proceeds are divided between the operator and the travel agent or tour packager, the gross rental or gross rental proceeds to the operator is the respective portion allocated or distributed to the operator, and no more.

Section 237D-3: The following are exempt from the Transient Accommodations Tax:

- (1) Health care facilities including all such facilities enumerated in Section 321-11(10).
- (2) School dormitories of a public or private educational institution providing education in grades kindergarten through twelve, or of any institution of higher education.
- (3) Lodging provided by nonprofit corporations or associations for religious, charitable, or educational purposes; provided that this exemption shall apply only to the activities of the religious, charitable, or educational corporation or association as such and not to any rental or gross rental the primary purpose of which is to produce income even if the income is used for or in furtherance of the exempt activities of such religious, charitable, or educational corporation or association.
- (4) Living accommodations for persons in the military on permanent duty assignment to Hawaii, including the furnishing of transient accommodations to those military personnel who receive temporary lodging allowances while seeking accommodations in Hawaii or while awaiting reassignment to new duty stations outside the State.
- (5) Low-income renters receiving rental subsistence from the state or federal governments and whose rental periods are for durations shorter than sixty days.
- (6) Operators of transient accommodations who furnish accommodations to full-time students enrolled in an institution offering post-secondary education. The director of taxation shall determine what shall be deemed acceptable proof of full-time enrollment. This exemption shall also apply to operators who furnish transient accommodations to students during summer employment.
- (7) Accommodations furnished without charge such as, but not limited to, complimentary accommodations, accommodations furnished to contract personnel such as physicians, golf or tennis professionals, swimming and dancing instructors, and other personnel to whom no salary is paid or to employees who receive room and board as part of their salary or compensation.
- (8) Accommodations furnished to foreign diplomats and consular officials who are holding cards issued or authorized by the United States Department of State granting them an exemption from state taxes.