

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

CHANGES TO NOTE

Effective January 1, 2019, Act 215, Session Laws of Hawaii 2018, 1) increases the rental motor vehicle surcharge tax from \$3 to \$5 per day, or a portion of a day, for lessees without a valid Hawaii's driver's license, and 2) increases the tour vehicle surcharge tax by 1\$ for each category of tour vehicle:

WHO MUST FILE

The rental motor vehicle, tour vehicle, and car-sharing vehicle surcharge tax (RV tax) contains three separate taxes with different tax rates. Effective January 1, 2019:

1) The rental motor vehicle surcharge tax is levied at the rate of \$3 per day, or a portion of a day, on the lessor of any rental motor vehicle, with an additional \$2 per day, or portion of a day, for lessees without a valid Hawaii driver's license.

2) 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:

- \$66 - Over 25 passenger tour vehicle; and
- \$16 - 8 to 25 passenger tour vehicle.

3) The car-sharing vehicle surcharge tax is levied at the rate of \$0.25 (25 cents) per half-hour, or any portion of a half-hour, that a rental motor vehicle is rented or leased by a car-sharing organization; provided that for each rental of six hours or more, the rental motor vehicle surcharge tax shall be assessed. The car-sharing vehicle surcharge tax is levied on the car-sharing organization.

FILING FREQUENCY

RV tax periodic returns (Form RV-2) are filed on a monthly, quarterly, or semiannual basis depending on the amount of a person's tax liability. An RV tax annual return and reconciliation (Form RV-3) summarizing RV tax activity for the past year also must be filed. **Form RV-3 is due on or before the 20th day of the fourth 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 return must be filed on or before April 20 of the following 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 Form RV-3 correctly.

Form RV-3 is used to summarize your RV tax activities for the taxable year. It may also be used to correct errors on your periodic returns (Form RV-2). If the total number of car-sharing vehicle half-hours, 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 returns. To correct a previously filed Form RV-3, file an amended return on Form RV-3.

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

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, 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 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.

PENALTIES AND INTEREST

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, up to a maximum of 25%.

Failure to Pay Tax After Filing Timely Return — The penalty for failure to pay the tax after filing a timely return is 20% of the tax unpaid within 60 days of the prescribed due date.

Failure to Pay by EFT — The penalty for failure to pay by EFT for taxpayers who are required to pay by EFT is 2% of the tax due.

Interest — Interest at the rate of 2/3 of 1% per month, or part of a month, shall be assessed on 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 Saturday, Sunday, or legal holiday.

Please check your return carefully. Additional penalties may be assessed if you make an underpayment of tax due to negligence, intentional disregard of the Department's rules, or fraud.

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 Car-Sharing, Rentals, and Tour Vehicles (BTK), with Hawaii Tax I.D. No. RV-123-456-7890-01, files its annual return for the taxable year. On Oahu, BTK operates a car-sharing membership program, and has 20 rental cars, two tour vehicles (8-25 passengers), and one tour vehicle (40 passengers). For the year, rental motor vehicles in the car-sharing membership program were rented for 14,402 car-sharing vehicle half-hours. The 20 rental cars were rented for

6,900 rental days of which 5,300 rental days were to lessees who did not have a valid Hawaii driver's license. Of the two tour vehicles (8-25 passengers), 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 (40 passengers) was in service for all 12 months, for a total of 12 "tour vehicle-months."

Note: The taxpayer must have an average paid use period of six hours or less across all vehicles rented.

THE TOP OF THE TAX RETURN (fig. 3.0) (fig. 3.1)

STEP 1 — Enter the numeric (two digit) month, day, and (four digit) year your tax year ends in the area provided on the top of page 1 and of page 2.

STEP 2 — Write your name in the area provided on the top of page 1 and of page 2.

STEP 3 — Enter your Hawaii Tax I.D. No. in the area provided on the top of page 1 and of page 2.

STEP 4 — Enter the last 4 digits of your FEIN or SSN in the area provided on the top of page 1 and of page 2.

COMPUTING THE TAXES (fig. 3.2) (fig. 3.3)

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

BTK had 14,402 car-sharing vehicle half-hours for Oahu, and has entered that figure in Column A, line 1. BTK had 12 tour vehicle (40 passengers)-months on Oahu, and has entered

FORM RV-3
(Rev. 2018)



STATE OF HAWAII — DEPARTMENT OF TAXATION

**RENTAL MOTOR VEHICLE, TOUR
VEHICLE, AND CAR-SHARING VEHICLE
SURCHARGE TAX
ANNUAL RETURN & RECONCILIATION**

DO NOT WRITE IN THIS AREA

98

☐ Place an "X" in the 1 box ONLY if this is an AMENDED return

TAX YEAR ENDING 12 / 31 / 2019 HAWAII TAX I.D. NO. RV 1 2 3 4 5 6 7 8 9 0 0 1

2 NAME: BTK Car-Sharing, Rentals, and Tour Vehicles Last 4 digits of your FEIN or SSN 4 1 2 3 4

fig. 3.0

FORM RV-3 (REV. 2018)

PAGE 2

2 Name: BTK Car-Sharing, Rentals, and Tour Vehicles

HAWAII TAX I.D. No. RV 1 2 3 4 5 6 7 8 9 0 0 1 3 1

4 Last 4 digits of your FEIN or SSN 1 2 3 4 TAX YEAR ENDING 1 2 / 3 1 / 2019

fig. 3.1

		COLUMN A	COLUMN B	COLUMN C	COLUMN D&E	
		Car-Sharing Vehicle Surcharge Tax — Enter the Number of Car-Sharing Vehicle Half-Hours	Tour Vehicle Surcharge Tax — Enter the Number of Tour Vehicles Carrying 26 or More Passengers AFTER December 31, 2018	Tour Vehicle Surcharge Tax — Enter the Number of Tour Vehicles Carrying 8 - 25 Passengers AFTER December 31, 2018	Rental Motor Vehicle Surcharge Tax — Complete the schedule on page 2, then carry the total to this column, line 7	
ATTACH CHECK OR MONEY ORDER HERE	1 OAHU DISTRICT	5 14,402	5 12	5 22		1
	2 MAUI DISTRICT					2
	3 HAWAII DISTRICT					3
	4 KAUAI DISTRICT					4
	5 TOTALS (Add lines 1 through 4 of Columns A through C)	7 14,402	7 12	7 22		5
	6 RATES	\$0.25	\$66	\$16	6	
	7 TAXES (Multiply line 5 by line 6 of Columns A through C)	9 3,600 50	10 792 00	11 352 00	12 31,300 00	7

fig. 3.2

COLUMN D&E SCHEDULE		COLUMN D Rental Motor Vehicle Surcharge Tax — Enter the Number of Rental Motor Vehicle Days for Persons NOT included in Column E		COLUMN E Rental Motor Vehicle Surcharge Tax — Enter the Number of Rental Motor Vehicle Days BEFORE January 1, 2019 and for Persons with a Hawaii Drivers License After December 31, 2018	
1	OAHU DISTRICT	5,300	6	1,600	1
2	MAUI DISTRICT				2
3	HAWAII DISTRICT				3
4	KAUAI DISTRICT				4
5	TOTALS (Add lines 1 through 4 of Columns D and E)	5,300	8	1,600	5
6	RATES	\$5		\$3	6
7	TAXES (Multiply line 5 by line 6 of Columns D and E)	26,500	00	4,800	00
Add line 7, Columns D and E and enter result here and on page 1, line 7, Column D&E		12	31,300	00	7D&E

fig. 3.3

that figure in Column B, line 1. BTK had 22 tour vehicle (8-25 passengers)-months on Oahu, and has entered that figure in Column C, line 1.

STEP 6 — On page 2, complete lines 1 through 4, Columns D and E, just as you did on your periodic returns. The difference between the periodic and annual return is that the numbers reported on the annual return represent the total rental days in the applicable districts for the entire year.

BTK had 5,300 rental days for Oahu for rental motor vehicles rented to persons who did not have a valid Hawaii driver's license (Column D) and 1,600 rental days for Oahu for rental motor vehicles rented to persons who had a valid Hawaii driver's license (Column E).

STEP 7 — On page 1, enter the totals for lines 1 through 4 of Columns A through C in these spaces.

In Column A, line 5, BTK has entered 14,402, the total car-sharing vehicle half-hours. In Column B, line 5, BTK has entered 12, the total number of tour vehicle (40 passengers)-months. In Column C, line 5, BTK has entered 22, the total number of tour vehicle (8-25 passengers)-months.

STEP 8 — On page 2, enter the totals for lines 1 through 4 of Columns D and E in these spaces.

In Column D, line 5, BTK has entered 5,300 rental motor vehicle days. In Column E, line 5, BTK has entered 1,600 rental motor vehicle days.

STEP 9 — On page 1, in Column A, multiply the number entered on line 5 by the tax rate of \$0.25 (line 6), and enter the result on line 7.

BTK has multiplied 14,402 (the number of half-hours entered on line 5) by \$0.25 (the tax rate listed on line 6) to get \$3,600.50, which is entered in Column A, line 7 ($14,402 \times \$0.25 = \$3,600.50$).

STEP 10 — On page 1, in Column B, multiply the number entered on line 5 by the tax rate of \$66 (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 \$66 (the tax rate listed on line 6) to get \$792, which is entered in Column D, line 7 ($12 \times \$66 = \792).

STEP 11 — On page 1, in Column C, multiply the number entered on line 5 by the tax rate of \$16 (line 6), and enter the result on line 7.

BTK has multiplied 22 (the number of tour vehicle (8-25 passengers)-months entered on line 5) by \$16 (the tax rate listed on line 6) to get \$352, which is entered in Column C, line 7 ($22 \times \$16 = \352).

STEP 12 — After completing the schedule on page 2 to determine your rental motor vehicle surcharge tax, on page 1, in Column D&E, enter on line 7 the total tax amount from page 2, line 7D&E.

On page 1, in Column D&E, line 7, BTK has entered \$31,300 (the total tax amount from page 2, line 7D&E).

FINISHING THE TAX RETURN (fig. 3.4)

STEP 13 — On page 1, add line 7, Columns A through D&E, and line 8, and enter the result on line 9. This is the total tax due. **CAUTION: LINE 9 MUST BE FILLED IN.** If you do not have any RV tax activity and therefore have no tax due, enter "0.00" on line 9.

BTK has added \$3,600.50, \$792, \$352, and \$31,300 for a total of \$36,044.50 which is entered on line 8.

STEP 14 — Add all the penalties and interest which have been assessed on taxes owed on the periodic tax returns for the taxable year, enter the results to the right of "PENALTY" and "INTEREST," and enter the total of the two amounts on line 10.

SIGNING THE RETURN (fig. 3.4)

STEP 29 — 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.

INSTRUCTIONS FOR FILING AN AMENDED FORM RV-3

If you file your Form RV-3 and later become aware of any changes you must make to the reported number of car-sharing vehicle half-hours, the number of rental motor vehicle days, and/or the number of tour vehicle-months, you may file an amended return on Form RV-3 to change the Form RV-3 you already filed.

Complete your amended Form RV-3 as follows:

1. Put an "X" in the box at the top of page 1 of the Form RV-3 to designate that this is an amended return (see fig. 3.0).
2. Enter the correct number of car-sharing vehicle half-hours, the number of rental motor vehicle days, and/or the number of tour vehicle-months, and amounts of taxes due which should have been reported on the original Form RV-3. Follow Steps 1 through 13 above used to complete your original return. (**Note:** Entries which were correctly reported on the original Form RV-3 also must be entered on the appropriate line(s). **Failure to do so will result in a change from the amount to -0-.**)
3. Enter on line 10 the amounts of any penalty and/or interest assessed as of the date the amended return is filed. Penalty and interest are generally assessed because the original returns were filed after the filing deadline or because the taxes due were not paid in full by the filing deadline.
4. Enter on line 12 the total amount of taxes, additional assessments, and penalty and/or interest paid less any refunds received for the tax year. Include payments made with the original periodic and annual returns, as well as any supplemental payments made after they were 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. Enter on line 16 the amount of credit claimed on your original Form RV-3.
6. Subtract line 16 from line 15 and enter the "NET PAYMENTS MADE" on line 17.
7. If line 11 is LESS THAN line 17, subtract line 11 from line 17 and enter the result on line 18, "CREDIT TO BE REFUNDED."

8. If line 11 is MORE THAN line 17, subtract line 17 from line 11 and enter the result on line 19, "ADDITIONAL TAXES DUE."
9. If the amended Form RV-3 is filed after the due date of the original Form RV-3, 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 RV-3, 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 RV-3. This penalty is applicable to amended Form RV-3s for timely filed original Form RV-3s. 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.
10. Add lines 19 and 20 and enter the total on line 21, "TOTAL AMOUNT DUE AND PAYABLE."
11. Enter on line 22 the amount of any payment made with the amended Form RV-3. If the amended Form RV-3 is filed after the due date of the original Form RV-3, 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 RV-3. Write "RV," the filing period, your Hawaii Tax I.D. No., and your daytime phone number on your check or money order. **DO NOT SEND CASH.**

Send your check or money order and the amended Form RV-3 to:

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

12. Sign your name and write your title, the date, and a daytime contact phone number in the spaces provided at the bottom of the amended Form RV-3 (see fig. 3.4).

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

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

E-mail: Taxpayer.Services@hawaii.gov