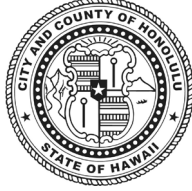


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Oahu Transient Accommodations Tax FAQs

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Brief Description of Oahu TAT

On March 4, 2020, the Governor issued a Proclamation and Executive Orders related to the COVID-19 Emergency. In April 2020, under the Sixth Supplementary Proclamation, Section 237D-6.5(b), the State suspended distribution of the Transient Accommodations Tax ("TAT") to the counties, resulting in the counties' share of TAT allocation coming to an end.

Act 1, 1st Special Session 2021, which became effective on July 1, 2021, repealed the State's allocation of TAT to the counties and instead allowed the four counties the right to establish and administer their own transient accommodations tax at a maximum rate of 3%. In order to establish an Oahu TAT ("OTAT"), the City and County of Honolulu ("City") was required to first enact a local ordinance. The Director of Budget and Fiscal Services is granted the same authority that the State Director of Taxation has under chapter 237D, Hawai'i Revised Statutes (HRS).

The City and County of Honolulu's City Council introduced Bill 40 (2021) to establish Chapter 8A relating to the Transient Accommodations Tax on September 30, 2021. The bill passed first reading on October 6, 2021. The bill passed second reading with amendments by the City Council Committee on Budget, on November 10, 2021. The bill was posted for third and final reading with further amendments on November 24, 2021. On December 1, 2021, Bill 40 (2021), CD2, FD1 was approved by Council and Ordinance [No. 21-33](#) was signed into law by Mayor Rick Blangiardi on December 14, 2021. Therefore, the OTAT is assessed effective December 14, 2021.

Who is Avenu Insights & Analytics?

Avenu is a private company that has been contracted to partner with the City and County of Honolulu's Oahu Transient Accommodations Tax (OTAT) team in the Treasury Division of the Budget and Fiscal Services Department to delivery improved taxpayer payment support in the administration and collection of the OTAT. For additional information regarding the Transient Accommodation Tax, please contact Avenu at:

Email: AvenuOahuTaxSupport@avenuinsights.com

Toll Free Phone: 866-940-7660

Online Filing Payment Portal: <https://otatpay.honolulu.gov>

What is the Oahu Transient Accommodations Tax (OTAT)?

Effective July 1, 2021, Act 1, 1st Special Session 2021, repealed the State's allocation of TAT to the four Counties, and instead allowed the Counties the right to assess, administer and collect their own TAT up to a maximum rate of 3%.

The OTAT is a tax levied at a rate of 3% on the gross rental or gross rental proceeds derived from furnishing transient accommodations, on the fair market rental value of a time share vacation unit, and on the gross rental proceeds received by transient

accommodations brokers, travel agents, and tour packagers who enter in arrangements to furnish transient accommodations at noncommissioned negotiated contract rates.

On December 14, 2021, Ordinance [No. 21-33](#) was signed into law by Mayor Rick Blangiardi, and therefore the OTAT is assessed effective December 14, 2021 at a rate of 3% on all gross rental, gross rental proceeds, and fair market rental value considered taxable under the definitions of Section 237D-1, HRS.

Who must pay the OTAT?

As a general rule, if you pay the State TAT for property located on Oahu, you will need to pay the OTAT to the City. All operators, plan managers, transient accommodations brokers, travel agencies, or tour packagers within Oahu must hold a State registration in accordance with Section 237D-4 and 4.5, HRS. This applies to every transient accommodation broker, travel agency, and tour packager who arranges transient accommodations at non-commissioned negotiated contract rates.

When is this effective?

The effective date for the OTAT is December 14, 2021.

When are payments due?

Since the effective date is December 14, 2021, all calendar year taxpayers (including monthly, quarterly, and semi-annual filers) will need to remit their first payment for the partial period beginning December 14, 2021 and ending December 31, 2021, to the City on or before February 22, 2022. Additionally, for calendar year taxpayers who file on a monthly basis, payment for the full month of January 2022 will be due on or before February 22, 2022. For calendar year taxpayers who file on a quarterly basis, payment for the first full period (beginning January 1, 2022 and ending March 31, 2022) will be due on April 20, 2022. For calendar year taxpayers who file on a semi-annual basis, payment for the first full period (beginning January 1, 2022 and ending June 30, 2022) will be due on July 20, 2022. The timing of payments will coincide with the State. The first annual reconciliation is due on April 20, 2022, covering the partial month of December 2021. Every annual reconciliation thereafter will cover the entire previous calendar year and will be due on April 20.

Can I just make one payment for both the State and City and County of Honolulu tax portions?

No, separate payments will need to be made to the State Department of Taxation (DOTAX) and to the City. The payments must be paid to the correct jurisdictions.

Do I have to file a separate return with the City and County of Honolulu?

No, a return filed with DOTAX will be deemed as filed with the City. However, the OTAT payment must be remitted separately to the City.

If I don't have to file a separate return, how will you know how to apply my payment?

You will be required to include your State of Hawaii TAT Tax I.D. number with the payment made to the City. This will allow the City to properly credit your account.

What happens if I don't pay?

The Director of Budget and Fiscal Services (BFS) has the authority to estimate tax liability of the operator or plan manager from any information the Director obtains, which may include information from DOTAX. The Director of BFS may assess the taxes, interest, and penalty due to the City and make a demand on the payment.

If there is an intent to evade tax, the tax may be assessed or levied at any time; provided that the burden of proof with respect to the issues of falsity or fraud and intent to evade tax shall be upon the City.

For late payments, the Director of BFS has the authority to collect interest and penalties. Penalties and interest are assessed on any tax that is not paid on time. If a taxpayer timely files a return with the State (which shall be deemed a timely filing with the City), but fails to pay the OTAT to the City within 60 days of the due date, a penalty of 20% of the unpaid balance will be assessed. If a taxpayer fails to file a return with the State (and thereby fails to file a return for the OTAT), unless it is shown that the failure is due to reasonable cause and not due to neglect, a penalty of 5% of the tax, if the failure is for not more than one month, with an additional 5% for each additional month or fraction thereof that the failure continues, not exceeding 25% in the aggregate, will be assessed.

If you are required to pay by electronic funds transfer (EFT) and do not timely pay by EFT, a penalty of 2% will be assessed on the tax due.

Interest is assessed at the rate of 2/3 of 1% per month or part of a month on any unpaid taxes and penalty. If a payment is dishonored, a \$25 service fee is assessed.

Important: Payments are applied to the fees first, then interest, then penalty, and then the tax.

Can I pass the OTAT on to the visitor?

Yes, the OTAT may be passed on to the visitor.

How do I pay my OTAT?

The City will accept OTAT payments online (preferred) and by mail. There will be no in person, walk-in payments accepted at the City.

Online Filing (Preferred) <https://otatpay.honolulu.gov>

Credit, debit, and Automated Clearing House (ACH) payments will be accepted via the City's online payment portal at <https://otatpay.honolulu.gov>. A convenience fee of 3% will be applied to payments made by credit or debit cards. No fees will be assessed for payments made via ACH.

IMPORTANT: Commercial Bank Account Holders with an account covered by ACH Debit Block Service must provide their financial institution with the Avenu Insights & Analytics, LLC's ACH Debit ID No. 1541794735.

Taxpayers whose liability for the TAT exceeds \$50,000 per year are required to pay tax by Electronic Funds Transfer (EFT). ACH payments that will be accepted via the City's online payment portal will satisfy this requirement.

By Mail: Mail payment with the required payment voucher form OTAT-1 to:

City and County of Honolulu
c/o Avenu Insights & Analytics
P. O. Box 29280
Honolulu, HI 96820

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

- OTAT
- The filing period (MM/YYYY)
- Your State TAT ID number
- Your daytime phone number
- Click [here](#) to download a payment voucher form (Form OTAT-1)

Bulk Filers

OTAT payments for multiple State TAT ID Numbers may be remitted via the City's new online payment portal in a single transaction rather than having to submit payments online for each individual State TAT ID Number. If you have not previously registered with the City's OTAT office as a bulk filer, a one-time Bulk Filers Program Registration Form must be completed and submitted to the Avenu at AvenuOahuTaxSupport@avenuinsights.com. Participants must be registered to access the online payment portal. Bulk filers should contact AvenuOahuTaxSupport@avenuinsights.com for assistance and bulk filing instructions.

How do I file an amended return?

Your amended return must be filed with the State who will provide a copy of the updated filing to Avenu so our records can be amended.

- If you require a refund, you will need to submit a refund request along with supporting documentation. The refund request can be found at <https://revds.com>
- If you need to pay additional funds, please print a copy of your original return, write amended at the top, indicate the corrections on the form and mail with a check to:

City and County of Honolulu
c/o Avenu Insights & Analytics
P. O. Box 29280
Honolulu, HI 96820

You can also email a copy to AvenuOahuTaxSupport@avenuinsights.com if you prefer to pay the additional amount owed by credit card or check.

Is the business closed, sold, or is it no longer operating? Moved, changed ownership, or changed business name within the past year?

Please email AvenuOahuTaxSupport@avenuinsights.com a copy of your State form GEW-TA-RV-1 used for Notification of Cancellation of Tax Licenses and Tax Permits and provide dates and details on your business changes.

Online Filing Instructions

You may access online filing by going directly to <https://otatpay.honolulu.gov>

1. From the Home page of <https://otatpay.honolulu.gov>, click “Create a Business Account”.
2. Sign Up for a New Account: Begin by creating the username and password for your online filing account and entering your contact information. Be sure to store your username and password in a safe place.
3. Business Information: Enter the information of the business you are filing for. This information will appear on the returns you file online.
4. Security Question: Click the link next to a question to use or type in your own question. Enter the answer to your question. Click the next button to save and continue. If you forget your password, contact us AvenuOahuTaxSupport@avenuinsights.com or call 866-940-7660 for assistance.
5. Location Information: Click the Yes button at the top of the screen to continue past this page if not needed.
6. Return Setup: Set up the returns you want to file with either your TA# or Bulk Filer#. Note: Upon completion of your online registration, you will receive a confirmation email. Select options from the drop-down menus. Click the Add Return button. The return appears in a table at the bottom of the screen. Click the Yes button at

the top of the screen when you are finished setting up your return to continue to the home page of your account.

7. Congratulations! Your Online Filing account setup is complete. You are ready to begin filing your returns.

To file your return:

1. Click on "File a new return."
2. Use the drop-down menu to select your filing period then click next.
3. Use the radio buttons to select if you are filing for a single property (Single Filer) or filing as a bulk filer.
4. Complete the fields using the values submitted on your state return as indicated. Then press next.
5. Enter your payment information and press next.
6. Review your payment confirmation and submit. Congratulations!
Your payment submission is complete.

Payment history is stored under My Returns >> Filing History and can be accessed 24/7 on the payment portal.