Mayor Kawakami signs Bill No. 2829 relating to Transient Accommodations Tax

LĪHU’E – Mayor Derek S. K. Kawakami has signed Bill No. 2829, which establishes a 3% Transient Accommodations Tax (TAT) program for the County of Kaua‘i.

The bill was unanimously passed by the Kaua‘i County Council on Wednesday, Sept. 15. The signed ordinance will take effect on October 1, 2021.

“Thank you to our council members for your support on this very important initiative that gives our county control of our own destiny,” said Mayor Derek S. K. Kawakami. “This ordinance now allows us to supplement the many state- and tourism-related activities that are funded by our county taxpayers. Remember, this is not new revenue for the county. This will replace what we used to get from the state for transient accommodations.”

In July, the state legislature enacted Act 1 which removed the counties’ allocation of the state-collected TAT revenues. This previously provided the County of Kaua‘i close to $15 million in annual revenues to support the impacts of tourism activities on county services. While that allocation was removed, Act 1 also authorized the counties to establish and administer their own county TAT at a maximum rate of 3%, in addition to the state TAT.

The County of Kaua‘i introduced Bill No. 2829 to the Kaua‘i County Council on July 21, establishing Chapter 5A, Article 4 within the Kaua‘i County Code. A Public Hearing was held on Aug. 18,
and a Committee Meeting took place on Sept 1. The bill passed its second and final reading on Sept. 15, and Mayor Kawakami signed it into law on Sept. 16.

Beginning October 1, 2021, the county TAT is levied at a rate of 3% on every taxpayer that has taxable gross rental proceeds and/or total fair market rental value attributable to the County of Kaua‘i.

To view Ordinance No. 1099 (Bill No. 2829, Draft 1), visit https://tinyurl.com/KauaiTAT.

For more information on the new county TAT, please visit www.kauai.gov/tat or email countytat@kauai.gov.

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