

CHRISTOPHER SHEA GOODWIN

ATTORNEY AT LAW LLLC
737 BISHOP STREET
SUITE 1640 MAUKA TOWER
HONOLULU, HAWAII 96813
TELEPHONE 808 531-6465
TELEFAX 808 531-6507

Christopher Shea Goodwin*
chris@christophersheagoodwin.com

*Admitted to practice in HI and TX

Thomas D. Sands**
thomas@christophersheagoodwin.com

**Admitted to practice in HI and CA

March 13, 2014

To: Condominium and Community Association Clients

From: Christopher Shea Goodwin, Esq.

Re: Act 326 - Transient Accommodations Reporting Law

Dear Owners of Client Associations:

Legislation passed by the Hawaii Legislature and signed by the Governor into law almost two (2) years ago will soon impact many residential condominium associations in this state.

This new law, known as "Act 326" requires both operators of transient accommodations and **associations of unit/apartment owners or planned community associations** to report certain information to the State of Hawaii Department of Taxation. The purpose of the law is to facilitate the collection of the transient accommodation tax by the State of Hawaii. In summary, the new law provides as follows:

1. **Who Must Report:** Any **operator** defined as *any person furnishing a room, apartment, suite, house, condominium, or the like which is customarily occupied by a transient for less than 180 days*. If you operate property covered by the Act rented out for 180 days or more, you are not required to report pursuant to Act 326.
2. **What to Report:** If you are subject to the above reporting requirements, you must report:
 - a. Your Name
 - b. Your Mailing Address
 - c. Your Phone Number
 - d. Any Other Relevant Contact Information
 - e. Your Transient Accommodations Tax License Number (issued by Department of Taxation)
 - f. All Website Addresses on which you advertise the property for rent
 - g. Name of Local Contact residing on same island as property (it can be you if you reside on same island as property)
 - h. Local Contact's Phone Number and Any Other Relevant Contact Information
3. **To Whom Must You Report:** Operators of transient accommodations must report to their unit's **association of apartment owners**.
4. **When is the Deadline for Reporting:** Operators of transient accommodations operated on or after January 1, 2013 and before January 15, 2014, must report their information to their association by **March 31, 2014**, and must **update that information within 60 days of a change**. If you continue to be a Transient Accommodations operator after January 14, 2014, you must report any change to your information to your Association within 60 days of the change.
5. **What is done with the reported information:** Associations must report their information to the Department of Taxation by **April 30, 2014**, and must update that information by December 31 or within 60 days of a change, whichever is later, for this year and subsequent years going forward.

To avoid potential penalties imposed by the Department of Taxation upon your Association for failure to comply with Act 326, if you are subject to the above requirements (i.e. you furnish your unit or a room therein or the like which is customarily occupied by a transient for less than 180 days) you are **required by law** to **REPORT** the above specified information to Association not later than **March 31, 2014**. Additional information regarding Act 326 can be found on the Department of Taxation's website at <http://tax.hawaii.gov/geninfo/act326/> or by sending an e-mail to: Tax.Act326.Reporting@hawaii.gov. If you are subject to the above described reporting requirements, you should contact your project's Resident, General and/or Site Manager and/or the Association's Managing Agent to obtain the address where to send your reporting information to the Association.