

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

### CHANGES TO NOTE

- Act 77, Session Laws of Hawaii (SLH) 2022, imposes the rental motor vehicle surcharge tax on peer-to-peer car-sharing programs. It also requires taxpayers engaging in a peer-to-peer car-sharing program to register with the Department.
- Pursuant to Act 237, SLH 2021, the rental motor vehicle surcharge tax rate will increase \$0.50 each subsequent year until December 31, 2027, for all lessees. The Act also provides an exemption when the lessee replaces a motor vehicle that has been stolen or will not be repaired due to a total loss of the 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.

**1) Effective January 1, 2024, the rental motor vehicle surcharge tax** is levied at the rate of \$6.50 per day, or a portion of a day, on the lessor of any rental motor vehicle, including operators of a peer-to-peer car sharing marketplaces.

**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.

The Department requires RV taxpayers to file returns electronically. See Tax Announcement No. 2019-06.

Taxpayers whose liability for the RV tax exceeds \$100,000 per year are required to pay the tax by Electronic Funds Transfer (EFT).

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 9. 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.

### PROTECTIVE CLAIM

A protective claim is a claim filed to protect a taxpayer's right to a potential refund based on a contingent event for a taxable period for which the statute of limitations is about to expire. A protective claim is usually based on contingencies such as pending litigation or an ongoing federal income tax audit or an audit in another state. For more information see Tax Facts 2021-2, "Protective Claim."

### 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 total tax.

**Failure to File Electronically** — Form RV-3 MUST be filed electronically unless you obtain a waiver. Use Form L-110 to apply for a waiver. The penalty for failure to file electronically is 2% of the total tax.

**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, all of which occurred after December 31, 2023 and before January 1, 2025. 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.

fig. 3.0

fig. 3.1

### 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 pages 1 and 2.

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

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

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

ATTACH CHECK OR MONEY ORDER HERE		COLUMN A	COLUMN B	COLUMN C	COLUMNS D,E&F			
		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	Tour Vehicle Surcharge Tax — Enter the Number of Tour Vehicles Carrying 8 - 25 Passengers	Rental Motor Vehicle Surcharge Tax — Complete the Schedule on page 2 then carry to this Column, line 7			
1	OAHU DISTRICT	(5) 14,402	(5) 12	(5) 220			1	
2	MAUI DISTRICT						2	
3	HAWAII DISTRICT						3	
4	KAUAI DISTRICT						4	
5	TOTALS (Add lines 1 through 4)	(6) 14,402	(6) 12	(6) 22			5	
6	RATES	\$0.25	\$66	\$16			6	
7	TAXES (Multiply line 5 by line 6)	(7) 3,600 50	(8) 792 00	(9) 352 00	(11) 44,850 00		7	
8	TOTAL TAXES DUE. Add line 7, Columns A through F. Enter the result here. If you did not have any activity for the period, enter "0.00" here					(12) 49,594 50		8
9	AMOUNTS ASSESSED DURING THE YEAR	PENALTY			(13)		9	

fig. 3.2

COLUMNS D, E & F SCHEDULE	COLUMN D	COLUMN E	COLUMN F		
	Rental Motor Vehicle Surcharge Tax — Enter the Number of Rental Motor Vehicle Days for rentals After December 31, 2022 and Before January 1, 2024	Rental Motor Vehicle Surcharge Tax — Enter the Number of Rental Motor Vehicle Days for rentals After December 31, 2023 and Before January 1, 2025	Rental Motor Vehicle Surcharge Tax — Enter the Number of Rental Motor Vehicle Days for rentals After December 31, 2024 and Before January 1, 2026		
1	OAHU DISTRICT	(5) 6,900		1	
2	MAUI DISTRICT			2	
3	HAWAII DISTRICT			3	
4	KAUAI DISTRICT			4	
5	TOTALS (Add lines 1 through 4 of each column)	(6) 6,900		5	
6	RATES	\$6	\$6.50	\$7	6
7	TAXES (Multiply line 5 by line 6 in each Column)	00	(10) 44,850 00	00	7
If all of your rental days are Before January 1, 2025*, add line 7, Columns D and E and enter result here and on page 1, line 7.		(11) 44,850 00			7D&E
If all of your rental days are After December 31, 2023 and Before January 1, 2026**, add line 7, Columns E and F and enter result here and on page 1, line 7.					7E&F

fig. 3.3

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

**STEP 5** — On page 1, complete lines 1 through 4, Columns A through C, and on page 2 complete lines 1 through 4, Columns D through F, reporting the total amount in each district for the tax year.

On page 1, 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 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. On page 2, BTK had 6,900 rental days for rental motor vehicles on Oahu after December 31, 2023

and before January 1, 2025 and has entered that figure in Column F, line 1.

**STEP 6** — On pages 1 and 2, enter the totals for lines 1 through 4 of Columns A through F on line 5 for each column.

On page 1, 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. On page 2, in Column E, line 5, BTK has entered 6,900, the total number of rental motor vehicle days after December 31, 2023 and before January 1, 2025.

**STEP 7** — 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 x \$0.25 = \$3,600.50).*

**STEP 8** — 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 B, line 7 (12 x \$66 = \$792).*

**STEP 9** — 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 x \$16 = \$352).*

**STEP 10** — On page 2, in each column, multiply the number entered on line 5 by the number on line 6 (the tax rate) and enter the result on line 7 of the appropriate column.

*On page 2, in Column E, BTK has multiplied 6,900 (the number of rental motor vehicle days entered on line 5) by \$6.50 (the tax rate listed on line 6) to get \$44,850 (6,900 x \$6.50 = \$44,850) and entered the total in line 7 of Column E.*

**STEP 11** — On page 2, add the amounts in line 7. If your rental days are after December 31, 2023 and before January 1, 2025, add the amounts in Columns D and E and enter the result in line 7D&E, and on page 1, line 7. If your rental days are after December 31, 2024 and before January 1, 2026, add the amounts in Columns E and F and enter the result in line 7E&F, and on page 1, line 7.

*All of BTK's motor vehicle rental days are in calendar year 2024, so on page 2 BTK has entered the total in line 7, Column E (\$44,850) on line 7E&F. BTK also entered this amount on page 1, line 7.*

8. TOTAL TAXES DUE. Add line 7, Columns A through F. Enter the result here. If you did not have any activity for the period, enter "0.00" here		12	49,594	50
9. AMOUNTS ASSESSED DURING THE YEAR.		PENALTY		13
		INTEREST		
10. TOTAL AMOUNT. Add lines 8 and 9.		14	49,594	50
11. TOTAL TAXES PAID on Forms RV-2 (and the Annual return if this is an Amended return) less any refunds received for the tax year.		11	15	49,594 50
12. Additional assess <sup>17</sup> paid for the tax year, if includ <sup>18</sup> line 8.		12	16	
13. PENALTIES \$ <sup>17</sup> INTEREST \$ <sup>18</sup> Paid..		13	19	
14. TOTAL PAYMENTS MADE FOR THE TAX YEAR. (Add lines 11 thru 13)		14	20	
15. CREDIT CLAIMED ON ORIGINAL ANNUAL RETURN. (For Amended Return ONLY)		15	21	
16. NET PAYMENTS MADE. Line 14 minus line 15.		22	49,594	50
17. CREDIT TO BE REFUNDED. Line 16 minus line 10.		23		
18. ADDITIONAL TAXES DUE. Line 10 minus line 16.		24		
19. FOR LATE FILING ONLY →		PENALTY		25
		INTEREST		
20. TOTAL AMOUNT DUE AND PAYABLE. (Add lines 18 and 19)		26		
21. PLEASE ENTER THE AMOUNT OF YOUR PAYMENT. Attach a check or money order payable to "HAWAII STATE TAX COLLECTOR" to 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. Mail to: HAWAII DEPARTMENT OF TAXATION, P.O. Box 1425, Honolulu, HI 96805-1425 If you are NOT submitting a payment with this return, enter "0.00" here.				27
DECLARATION: 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 Rental Motor Vehicle, Tour Vehicle, and Car-Sharing Vehicle Surcharge Tax Law and the rules issued thereunder.				
IN THE CASE OF A CORPORATION OR PARTNERSHIP, THIS RETURN MUST BE SIGNED BY AN OFFICER, PARTNER OR MEMBER, OR DULY AUTHORIZED AGENT.				
28	Betty T. Kealoha	Owner	4/20/25	(808) 123-45
SIGNATURE		TITLE		DATE
				DAYTIME PHONE NUM

fig. 3.4

## **FINISHING THE TAX RETURN** (fig. 3.4)

**STEP 12** — On page 1, add line 7, Columns A through F and enter the result on line 8. This is the total tax due. **CAUTION: LINE 8 MUST BE FILLED IN.** If you do not have any RV tax activity and therefore have no tax due, enter “0.00” on line 8.

*BTK has added \$3,600.50, \$792, \$352 and \$44,850 for a total of \$49,594.50 which is entered on line 8.*

**STEP 13** — 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 9.

**STEP 14** — Add lines 8 and 9, and enter the total on line 10, “TOTAL AMOUNT.”

**STEP 15** — Add the total amount of rental motor vehicle, tour vehicle, and car-sharing vehicle surcharge taxes paid with your periodic tax returns and any delinquency notices for the taxable year, less any refunds received for the taxable year. Enter this amount on line 12, “TOTAL TAXES PAID ON MONTHLY, QUARTERLY, OR SEMIANNUAL RETURNS FOR THE PERIOD (and the Annual Return if this is an Amended Return) LESS ANY REFUNDS RECEIVED FOR THE TAX YEAR.”

**STEP 16** — Enter the amount of tax paid with any assessment notices for the taxable year, if included on line 8, on line 12.

**STEP 17** — Enter the amount of any penalty paid with your periodic tax returns, delinquency notices, or assessment notices for the taxable year on line 13 in the space provided to the right of “PENALTIES \$.”

**STEP 18** — Enter the amount of any interest paid with your periodic tax returns, delinquency notices, or assessment notices for the taxable year on line 13 in the space provided to the right of “INTEREST \$.”

**STEP 19** — Add the amount of penalty and interest paid, and enter the total on line 13.

**STEP 20** — Add the amounts on lines 11, 12, and 13, and enter the total on line 14, “TOTAL PAYMENTS MADE FOR THE TAX YEAR.”

**STEP 21** — Leave line 15 blank (to be used for Amended Returns ONLY).

**STEP 22** — Subtract line 15 from line 14 and enter the “NET PAYMENTS MADE” on line 16.

**STEP 23** — Compare the amounts on lines 10 and 16. If the amount on line 10 is **THE SAME AS** line 16, go on to Step 27.

If the amount on line 10 is **LESS THAN** line 16, subtract line 10 from line 16, and enter the result on line 17, “CREDIT TO BE REFUNDED.” Go to Step 27.

**STEP 24** — If the amount on line 10 is **MORE THAN** line 16, subtract line 16 from line 10 and enter the “ADDITIONAL TAXES DUE” on line 18. This is your taxes now due and payable. Calculate penalty and interest on this amount if the annual return is filed after the due date.

**STEP 25** — 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 19.

If you are unable to compute the penalty and interest, leave these lines blank. The Department will compute the charges for you and send you a bill.

**STEP 26** — If you have taxes due now, add the amounts on lines 18 and 19 and enter the “TOTAL AMOUNT DUE AND PAYABLE” on line 20.

**STEP 27 — NOTE:** If you are NOT submitting a check with your return, enter “0.00” on line 21.

Write the “AMOUNT OF YOUR PAYMENT,” including any penalty and interest, on line 21. 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 “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 return to:

Hawaii Department of Taxation  
P.O. Box 1425  
Honolulu, HI 96806-1425

## **SIGNING THE RETURN** (fig. 3.4)

**STEP 28** — 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 12 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 9 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 11 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 15 the amount of credit claimed on your original Form RV-3.
6. Subtract line 15 from line 14 and enter the "NET PAYMENTS MADE" on line 16.
7. If line 10 is LESS THAN line 16, subtract line 10 from line 16 and enter the result on line 17, "CREDIT TO BE REFUNDED."
8. If line 10 is MORE THAN line 16, subtract line 16 from line 10 and enter the result on line 18, "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 18, enter on line 19 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 18 and 19 and enter the total on line 20, "TOTAL AMOUNT DUE AND PAYABLE."
11. Enter on line 21 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 1425  
Honolulu, HI 96806-1425

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)