
A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 237-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Marketplace provider" means any person who sells or assists in the sale of tangible personal property on behalf of another seller and who provides customer service, processes payments, and controls the fulfillment process."

SECTION 2. Section 237-2, Hawaii Revised Statutes, is amended to read as follows:

"§237-2 "Business", "engaging" in business, defined. As used in this chapter:

"Business" includes all activities (personal, professional, or corporate) engaged in or caused to be engaged in with the object of gain or economic benefit either direct or indirect, without regard to physical presence in the State, but does not include casual sales. A person with no physical presence in the State is engaged in "business" in this State if the person has



1 gross receipts attributable to this State of \$100,000 or more.

2 Gross receipts attributable to this State include gross receipts
3 from sales that would be taxable under this chapter but for the
4 physical presence of the seller, and are facilitated by a
5 marketplace provider that is engaged in business in this State.

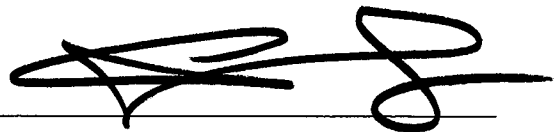
6 "Engaging", with reference to engaging or continuing in
7 business, includes the exercise of corporate or franchise
8 powers."

9 SECTION 3. New statutory material is underscored.

10 SECTION 4. If any provision of this Act, or the
11 application thereof to any person or circumstance, is held
12 invalid, the invalidity does not affect other provisions or
13 applications of the Act that can be given effect without the
14 invalid provision or application, and to this end the provisions
15 of this Act are severable.

16 SECTION 5. This Act shall take effect on July 1, 2018.

17
INTRODUCED BY: _____



JAN 22 2018



H.B. NO. 2417

Report Title:

General Excise Tax; Businesses Without Physical Presence in the State

Description:

Requires that a marketplace provider withhold and remit general excise tax on sales made by marketplace sellers in this State that are facilitated by the marketplace provider. Amends the definition of "business" in the State's general excise tax law.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

