

JAN 19 2018

A BILL FOR AN ACT

RELATING TO TAXATION.

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

SECTION 1. Chapter 231, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§231- Businesses domiciled outside the State; nexus presumptions. (a) Notwithstanding any other law to the contrary, a person or entity conducting business in the State that has its commercial domicile in another state is presumed to be systematically and regularly engaging in business in the State and taxable under title 14 if, during any year:

(1) The person or entity engages in or solicits or more business transactions with persons within the State; and

(2) The sum of the value of the person's or entity's income, gross proceeds, gross rental, or gross rental proceeds attributable to sources in this State equals or exceeds \$.



S.B. NO. 2508

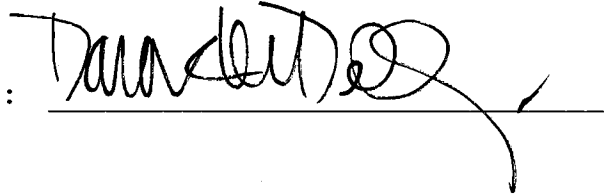
1 (b) Notwithstanding any requirement under title 14 that a
2 person or entity remit tax on a monthly basis, if a person is
3 taxable in the State by reason of this section, the person or
4 entity may petition the director of taxation to allow the
5 remitting of tax on a basis other than monthly for good cause.

6 (c) For purposes of this section, good cause includes
7 compliance with the United States Constitution and the state
8 constitution."

9 SECTION 2. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "DANIELA", is written over a horizontal line. The signature is stylized with a large, looping 'D' and a long, sweeping underline that extends to the right.

S.B. NO. 2508

Report Title:

General Excise Tax; Out-of-State Business; Nexus Standard

Description:

Creates a nexus standard for taxing out-of-state businesses on their business activities in Hawaii.

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

