STAND. COM. REP. NO. 51

Honolulu, Hawaii

, 2023 FEB 16

H.B. No. 1471 RE:

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred H.B. No. 1471 entitled:

"A BILL FOR AN ACT RELATING TO TELEWORK,"

begs leave to report as follows:

The purpose of this measure is to, for taxable years beginning after December 31, 2022:

- (1)Clarify that there is a presumption of a nexus for certain nonresident employees who telework; and
- (2) Amend the income tax law to apply to the total income of certain nonresident employees who telework.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the coronavirus disease 2019 pandemic had a significant impact on the way people work. Many individuals were forced to work remotely, which provided an opportunity for some people to relocate to another state while remaining employed as a nonresident. This measure clarifies a presumption of a nexus for certain nonresident employees who telework outside of the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider the implications of this measure, as its fiscal impact may be negligible.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Government Operations,

SCOT Z. MATAY SHI, Chair

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Labor & Government Operations

Bill/Resolution No.: Committee	Referral:	N Date: 2/14/23		
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
LGO Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	V			
2. GARRETT, Andrew Takuya (VC)				
3. KAPELA, Jeanne	V			
4. MARTINEZ, Rose				
5. SAYAMA, Jackson D.	V			
6. TAM, Adrian K.	V			Ann
T ALCOS HI David				
7. ALCOS III, David	V			
TOTAL (7)	7			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				