

A Bill for an Act Relating to Taxation Upon Sales Representatives, Amending Chapter 237, Hawaii Revised Statutes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Subsection 237-13(5) of the Hawaii Revised Statutes is hereby amended to read as follows:

“Tax upon sales representatives, etc. Upon every person classified as a representative or purchasing agent under section 237-1, engaging or continuing within the State in the business of performing services for another, other than as an employee, there is likewise hereby levied and shall be assessed and collected a tax equal to four per cent of the commissions and other compensation attributable to the services so rendered by him.”

SECTION 2. Section 237-1 of the Hawaii Revised Statutes, as amended, is hereby further amended by adding thereto the following definitions between the definitions of the terms “Person” or “Company” and the terms “Sale” or “Sales,” to read as follows:

“ ‘Purchasing agent’ means any person who, as an agent and not a seller, for a consideration, is engaged in the State in the business of purchasing for his principal or principals from an unlicensed seller or sellers property for use by such principals in the State, for example, by forwarding orders for such purchases, in behalf of such principals, it being immaterial whether he is compensated for his services by the seller or by the purchaser; but the term ‘purchasing agent’ does not include an employee of the purchaser.

‘Representative’ means any salesman, commission agent, manufacturer’s representative, broker or other person who is authorized or employed by an unlicensed seller to assist such seller in selling property for use in the State, by procuring orders for such sales or otherwise, and who carries on such activities in the State, it being immaterial whether such activities are regular or intermittent; but the term ‘representative’ does not include a manufacturer’s representative whose functions are wholly promotional and to act as liaison between an unlicensed seller and a seller or sellers, and which do not include the procuring, soliciting or accepting of orders for property or the making of deliveries of property, or the collecting of payment for deliveries of property, or the keeping of books of account concerning property orders, deliveries or collections transpiring between an unlicensed seller and a seller or sellers. Any unlicensed seller who in person carries on any such activity in the State shall also be classed as a representative.”

SECTION 3. This Act shall take effect upon its approval.

(Approved June 27, 1969.)