

JAN 20 2010

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§235- Wagering winnings; waiver. (a) Upon payment of
5 a \$10 fee, a taxpayer may acquire from the department of
6 taxation, a written waiver that exempts the taxpayer from
7 reporting all wagering or gambling winnings that would have been
8 otherwise reportable under this chapter and that were accrued
9 during the period of the waiver; provided that the:

10 (1) Waiver is valid for a specific consecutive five-day
11 period during the taxable year for which the waiver
12 applies;

13 (2) Multiple periods may be acquired;

14 (3) \$10 fee applies to each period acquired;

15 (4) Waiver shall be acquired by the taxpayer at least
16 three days before the commencement of the period
17 during which the waiver is in effect; and



1 (5) Waiver shall apply to all taxpayers, whether or not
2 the taxpayer itemizes tax deductions.

3 (b) Waivers are not transferrable and may not be combined
4 with any waiver acquired by other taxpayers.

5 (c) The department of taxation shall adopt rules pursuant
6 to chapter 91 to effectuate this section; provided that:

7 (1) The waivers shall be acquired and paid on the
8 department's website or other web-based system
9 established by the department by credit card using
10 appropriate web-based security technology;

11 (2) The rules shall be in effect no later than January 1,
12 2011."

13 SECTION 2. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on January 1, 2011,
15 and shall apply to taxable years beginning after December 31,
16 2010.

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INTRODUCED BY: Clarence K. Mitchell



Report Title:

Wagering Winnings; Exemption; Waiver Program

Description:

Establishes a waiver program to exempt a taxpayer's wagering winnings acquired during a consecutive five-day period.

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