

JAN 19 2011

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 \$ 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 were acquired
8 legally outside of the State, that would have been otherwise
9 reportable under this chapter, and that were accrued during the
10 period of the waiver; provided that:

11 (1) No waiver to exempt taxpayers under this section shall
12 be issued until the department of taxation has adopted
13 rules pursuant to subsection (d).

14 (2) The waiver is valid for a specific consecutive five-
15 day period during the taxable year for which the
16 waiver applies;

17 (3) Waivers for multiple periods may be acquired;

18 (4) The \$ fee applies to each waiver;



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1 (5) The waiver shall be acquired by the taxpayer at least
2 twenty-four hours before the commencement of the
3 period during which the waiver is in effect; and

4 (6) The waiver shall apply to all taxpayers, whether or
5 not the taxpayer itemizes tax deductions.

6 (b) Waivers shall not be transferrable and shall not be
7 combined with any other waiver acquired by other taxpayers.

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

12 (d) The department of taxation shall adopt rules pursuant
13 to chapter 91 to effectuate this section; provided that the
14 rules shall take effect no later than January 1, 2012."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on January 1, 2012,
17 and shall apply to taxable years beginning after December 31,
18 2011.

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INTRODUCED BY:

Clarence D. Ishihara



Report Title:

Wagering Winnings; Exemption; Waiver Program

Description:

Establishes a waiver program to exempt gambling winnings legally acquired outside of the State during a consecutive 5-day period.

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