



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 2, 2019

**GOV. MSG. NO. 1334**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 2, 2019, the following bill was signed into law:

SB1360 SD1 HD1

RELATING TO TAXATION  
**ACT 232 (19)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

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# 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 part III to be appropriately  
3 designated and to read as follows:  
4           "§235- Withholdings by partnerships, estates, and  
5 trusts. Partnerships, estates, and trusts shall withhold an  
6 amount equal to the highest marginal tax rate applicable to a  
7 nonresident taxpayer multiplied by the amount of the taxpayer's  
8 distributive share of income attributable to the State reflected  
9 on the partnership's, estate's, and trust's return for the  
10 taxable period. All amounts withheld shall be paid to the  
11 department of taxation in a manner that the department may  
12 prescribe. Withholding shall not be required to be submitted by  
13 a publicly traded partnership, as defined by section 7704(b) of  
14 the Internal Revenue Code, otherwise in compliance with this  
15 section. A publicly traded partnership shall file an annual  
16 information return reporting the name, address, taxpayer  
17 identification number, and other information requested by the



1 department of taxation of each unit holder with income sourced  
2 to the State."

3 SECTION 2. Section 235-66, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) . Income upon which any tax has been withheld at the  
6 source under sections 235-61 to [~~235-64,~~] 235- , or under  
7 regulations adopted pursuant to subsection (a), shall be  
8 included in the return of the recipient of such income, but any  
9 amount of tax so withheld shall be credited against the amount  
10 of income tax as computed in the return, and if in excess of the  
11 tax due for the taxable year shall be refunded as provided in  
12 section 235-110."

13 SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act, upon its approval, shall apply to  
16 taxable years beginning after December 31, 2018.

APPROVED this 02 day of JUL , 2019



GOVERNOR OF THE STATE OF HAWAII

THE HOUSE OF REPRESENTATIVES OF THE  
STATE OF HAWAII

Date: April 4, 2019  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki  
Speaker  
House of Representatives




Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: April 18, 2019  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.

  
President of the Senate

  
Clerk of the Senate