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
A BILL FOR AN ACT

RELATING TO TAXATION.

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

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

"§235- Withholdings by partnerships, estates, and trusts. Partnerships, estates, and trusts shall withhold an amount equal to the highest marginal tax rate applicable to a nonresident taxpayer multiplied by the amount of the taxpayer's distributive share of income attributable to the State reflected on the partnership's, estate's, and trust's return for the taxable period. All amounts withheld shall be paid to the department of taxation in a manner that the department may prescribe. Withholding shall not be required to be submitted by a publicly traded partnership, as defined by section 7704(b) of the Internal Revenue Code, otherwise in compliance with this section. A publicly traded partnership shall file an annual information return reporting the name, address, taxpayer identification number, and other information requested by the
department of taxation of each unit holder with income sourced
to the State."

SECTION 2. Section 235-66, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:
"(b) Income upon which any tax has been withheld at the
source under sections 235-61 to [235-64], or under
regulations adopted pursuant to subsection (a), shall be
included in the return of the recipient of such income, but any
amount of tax so withheld shall be credited against the amount
of income tax as computed in the return, and if in excess of the
tax due for the taxable year shall be refunded as provided in
section 235-110."

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 Statutory material to be repealed is bracketed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

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

APPROVED this 02 day of JUL, 2019

[Signature]
GOVERNOR OF THE STATE OF 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.

[Signature]
President of the Senate

[Signature]
Clerk of the Senate