

JAN 18 2019

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-29, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§235-29 Apportionment of business income; percentage.**

4 [All] (a) For taxable years beginning before January 1, 2019,
5 all business income shall be apportioned to this State by
6 multiplying the income by a fraction, the numerator of which is
7 the property factor plus the payroll factor plus the sales
8 factor, and the denominator of which is three.

9 (b) For taxable years beginning after December 31, 2018,
10 all business income shall be apportioned to this State by
11 multiplying the income by the sales factor."

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act, upon its approval, shall apply to
15 taxable years beginning after December 31, 2018.

16

INTRODUCED BY: 



S.B. NO. 394

Report Title:

Taxation; Business Income; Apportionment

Description:

Replaces the current 3-factor formula for apportionment of business income with a single sales factor.

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