

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

4 "§235- Persons lacking physical presence in the State;
5 nexus presumptions. A person that lacks physical presence in
6 the State is presumed to be systematically and regularly
7 engaging in business in the State and taxable under this chapter
8 if, during the current or preceding calendar year:

9 (1) The person engages in or solicits two hundred or more
10 business transactions with persons within the State;

11 and

12 (2) The sum of the value of the person's gross income
13 attributable to sources in this State equals or
14 exceeds \$100,000."

15 SECTION 2. New statutory material is underscored.



S.B. NO. 495

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

3

INTRODUCED BY:

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S.B. NO. 495

Report Title:

Income Tax; Out-of-State Business; Nexus Standard

Description:

Creates a nexus standard for taxing out-of-state businesses on their business income in Hawaii.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

