
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 two hundred or more business
10 transactions with persons within the State; or
11 (2) The sum of the value of the person's gross income
12 attributable to sources in this State equals or
13 exceeds \$100,000 or for a person that does business
14 within and without the State the numerator of the
15 person's sales factor for the State equals or exceeds
16 \$100,000."

17 SECTION 2. New statutory material is underscored.



1 SECTION 3. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2019.



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 earned in Hawaii. (SB495 HD1)

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

