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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. Section 235-68, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) As used in this section:

4           "Nonresident person" means every person other than a  
5 resident person.

6           "Property" or "real property" has the meaning as the same  
7 term is defined in section 231-1.

8           "Resident person" means any:

9           (1) Individual included in the definition of resident in  
10 section 235-1;

11           (2) Corporation incorporated or granted a certificate of  
12 authority under chapter 414, 414D, or 415A;

13           (3) Partnership formed or registered under chapter 425 or  
14 425E;

15           ~~[(4) Foreign partnership qualified to transact business~~  
16 ~~pursuant to chapter 425 or 425E;~~



1       ~~(5)]~~ (4) Limited liability company formed under chapter  
 2           428 ~~[or any foreign limited liability company~~  
 3           ~~registered under chapter 428]~~; provided that if a  
 4           single member limited liability company has not  
 5           elected to be taxed as a corporation, the single  
 6           member limited liability company shall be disregarded  
 7           for purposes of this section and this section shall be  
 8           applied as if the sole member is the transferor;

9       ~~[(6)]~~ (5) Limited liability partnership formed under  
 10           chapter 425;

11       ~~[(7) Foreign limited liability partnership qualified to~~  
 12           ~~transact business under chapter 425,~~

13       ~~(8)]~~ (6) Trust included in the definition of resident  
 14           trust in section 235-1; or

15       ~~[(9)]~~ (7) Estate included in the definition of resident  
 16           estate in section 235-1.

17       "Resident person" shall not include foreign partnerships  
 18       operating under section 425-3, foreign limited liability  
 19       partnerships operating under section 425-161, foreign limited  
 20       partnerships operating under section 425E-901, or foreign  
 21       limited liability companies operating under section 428-1001.



1 "Transferee" means any person, the State and the counties  
2 and their respective subdivisions, agencies, authorities, and  
3 boards, acquiring real property [~~which~~] that is located in  
4 Hawaii.

5 "Transferor" means any person disposing real property that  
6 is located in Hawaii."

7 SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect on July 1, 2050, and  
10 shall apply to taxable years beginning after December 31, 2019.

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**Report Title:**

Income Tax Law; HARPTA; Resident Person; Foreign Entities

**Description:**

Clarifies that the definition of "resident person" under the Hawaii Real Property Tax Act does not include foreign partnerships, foreign limited liability partnerships, foreign limited partnerships, or foreign limited liability companies. Applies to taxable years beginning after December 31, 2019. Effective 7/1/2050. (SD1)

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

