
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 Statutory material to be repealed is bracketed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 January 1, 2020.



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.
(SD2)

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