
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 237-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Marketplace provider" means any person who sells or
5 assists in the sale of tangible personal property on behalf of
6 another seller and who provides customer service, processes
7 payments, and controls the fulfillment process."

8 SECTION 2. Section 237-2, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "§237-2 "Business", "engaging" in business, defined. As
11 used in this chapter:

12 "Business" includes all activities (personal, professional,
13 or corporate) engaged in or caused to be engaged in with the
14 object of gain or economic benefit either direct or indirect,
15 without regard to physical presence in the State, but does not
16 include casual sales. A person with no physical presence in the
17 State is engaged in business in this State if, in the current or



1 immediately preceding calendar year, the person has gross
2 receipts attributable to transactions in this State totaling
3 \$100,000 or more. Gross receipts attributable to transactions
4 in this State include gross receipts from sales that, but for
5 the seller's lack of physical presence, would be taxable under
6 this chapter and are facilitated by a marketplace provider that
7 is engaged in business in this State.

8 "Engaging", with reference to engaging or continuing in
9 business, includes the exercise of corporate or franchise
10 powers."

11 SECTION 3. If any provision of this Act, or the
12 application thereof to any person or circumstance, is held
13 invalid, the invalidity does not affect other provisions or
14 applications of the Act that can be given effect without the
15 invalid provision or application, and to this end the provisions
16 of this Act are severable.

17 SECTION 4. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2035.

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Report Title:

GET; Marketplace Provider

Description:

Amends the general excise tax law by adding a definition for "marketplace provider." Provides that a person with no physical presence in the State shall be considered to be engaged in business in the State if, in the current or immediately preceding calendar year, the person has gross receipts attributable to transactions in the State totaling \$100,000 or more. Effective 7/1/2035. (SD1)

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