
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 235-9, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "**§235-9 Exemptions; generally.** (a) Except as provided in
4 sections 235-61 to 235-67 relating to withholding and collection
5 of tax at source, and section 235-2.4 relating to "unrelated
6 business taxable income", the following persons and
7 organizations shall not be taxable under this chapter: banks,
8 building and loan associations, financial services loan
9 companies, financial corporations, small business investment
10 companies, trust companies, mortgage loan companies, financial
11 holding companies, subsidiaries of financial holding companies
12 as defined in chapter 241, and development companies taxable
13 under chapter 241; insurance companies, agricultural cooperative
14 associations, and fish marketing associations exclusively
15 taxable under other laws; and persons engaged in the business of
16 motion picture and television film production as defined by the
17 director of taxation.



1 (b) Except as provided in sections 235-61 to 235-67
2 relating to withholding and collection of tax at source, and
3 section 235-2.4 relating to "unrelated business taxable income",
4 a qualifying corporation shall not be taxable under this
5 chapter; provided that the qualifying corporation is an eligible
6 business that relocates its corporate headquarters to the State
7 from outside of the State.

8 The director of taxation shall prepare forms that may be
9 necessary to claim an exemption under this subsection. The
10 director may also require the eligible business to furnish
11 information to ascertain the validity of the claim for an
12 exemption made under this subsection and may adopt rules
13 necessary to effectuate the purposes of this subsection pursuant
14 to chapter 91.

15 (c) As used in this section:

16 "Corporate headquarters" means the building or buildings
17 where the principal offices of the principal executive officers
18 of an eligible business are located.

19 "Eligible business" means a business that:

20 (1) Is engaged in either interstate or intrastate
21 commerce;



- 1 (2) Maintains a corporate headquarters at a location
- 2 outside the State;
- 3 (3) Has not previously maintained a corporate headquarters
- 4 at a location in the State;
- 5 (4) Had annual worldwide revenues of at least \$100,000,000
- 6 for the taxable year immediately preceding the
- 7 business's application for an exemption under this
- 8 section; and
- 9 (5) Commits contractually to relocating its corporate
- 10 headquarters to a location in the State."

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 2012, and

13 shall apply to taxable years beginning after December 31, 2011;

14 provided that on June 30, 2017, this Act shall be repealed and

15 section 235-9, Hawaii Revised Statutes, shall be reenacted in

16 the form in which it read on the day prior to the effective date

17 of this Act.



Report Title:

Headquarters Relocation Tax Exemption

Description:

Establishes a tax exemption for certain businesses that relocate their headquarters to Hawaii. Effective July 1, 2012. (HB2240 HD1)

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

